

## **Requirements & Guidelines**

**Revised September 22, 2012**

The following terms and conditions are the Dealer Strategic Planning, Inc. (hereafter referred to as DSP) and 20-Group Membership Agreement that each member must sign:

All information furnished by or about a member is confidential, and each member agrees not to furnish this information to any other third parties.

- Members will not enter into any communications with any member or members of the group on matters prohibited by the antitrust laws, including but not limited to:
  - (1) Agreements stabilizing prices or establishing uniformity of prices now or in the future.
  - (2) Adherence to price minimums or maximums.

The membership of this group will be limited to a maximum of 20 qualified businesses. Members shall be selected from market areas geographically distributed throughout North America to avoid directly competing members within the same group and to provide a widespread and diverse representation.

- No two members will be within competing market areas, or be actual or potential competitors unless they both agree to participate and the other 18 members plus DSP approve. Members will immediately notify DSP of any potential issues regarding competition within the group.
- Membership in this group is by invitation only and is not assignable or transferable. The group reserves the right to approve or reject any member in cases of change of ownership or control of their businesses or changes in their businesses that effect competition within the group.
- To qualify for membership in the group, a member candidate, ("Candidate") must:
  - 1. Be an owner or active member of management of a reputable business within the 20 Groups' industry.
  - 2. Be in a market area of sufficient volume and be of a size to make comparisons valid.
  - 3. Be required to provide monthly financial reports by groups agreed day of the month.
  - 4. Be required to contribute in a meaningful manner to the group in their meetings.
  - 5. Be required to regularly attend scheduled meetings.
- DSP plus group members are responsible for identifying and/or supplying suggested Candidates for consideration. Candidates of a "New Group" will be selected and supplied by DSP and/or the supporting company or association.

## **Requirements & Guidelines**

**Revised September 22, 2012**

- Members should not invite a Candidate to a 20 Group Meeting. Instead, the member should refer his/her name and qualifications to DSP for consideration. All members will be advised prior to the 20 Group Meeting that a guest Candidate will be in attendance.
- 20 Group Meetings will be held a minimum of three times per year and will be (but not limited to) 16 to 20 working hours in length.
- Group members will select sites and dates for future meetings at least one year in advance giving due consideration to the cost and convenience to the majority members of the group.
- Attendance at all 20 Group Meetings is restricted to owners, partners, general or store managers, Accounting Personnel (and restricted to no more than three people per company), who are regularly selected members, and is the same representative at each meeting.
- Members in this group will have the following responsibilities:
  - Attendance - Each member will be expected to regularly attend scheduled 20 Group Meetings. Each member is allowed two team members as guests from his or her business.
  - Financial Data - Each member will be required to submit financial and operation data to DSP in the proper form and in a timely fashion. Each member will prepare monthly financial statement data in accordance with prescribed guidelines and transmit such data to DSP. Members will follow the reporting requirements agreed upon by the group to ensure consistent application of accounting principles and relevant data. In addition, the development of certain comparative statistics and other metrics will sometimes require information not normally included in standard financial statements. Such information will be supplied to DSP on a supplemental schedule developed and distributed by DSP. To be assured of inclusion in the monthly reports, members must transfer financial data electronically to DSP no later than the 15th of each month.
  - Participation - Each member will be required to make a commitment to actively participate in group activities and discussions and to reply in a timely fashion to periodic surveys performed for the benefit of the group.
  - Fees and Expenses - Each member is required to maintain a current status in relation to payment of fees and expenses.

## **Requirements & Guidelines**

### **Revised September 22, 2012**

#### **RULES OF CONDUCT**

##### **PURPOSE**

The purpose of this policy is to establish rules of decorum for members in attendance. The policy is intended to facilitate the conduct of meetings in an open and orderly manner and in an environment positive and comfortable for all persons in attendance.

##### **POLICY**

The Code of Conduct is intended to promote open meetings that welcome sharing with and challenging each other in an atmosphere of fairness, courtesy, and respect for differing points of view.

##### **EFFECT**

The first step in maximizing the efficiency of your meetings is to recognize that meetings are a collaborative effort. The very definition of a meeting is a *TEAM* activity where "*SELECT*" people gather to perform *WORK* that requires *GROUP* effort. All participants of a meeting, therefore, must play a role in remaining focused and progressing through the meeting in a timely manner.

- **Arrive on Time.** Every minute of the meeting is important so please be punctual to start the meeting and returning from breaks.
- **Stay on Task.** The facilitators' role is to control the meeting according to the agenda so your value is maximized.
- **One Person Speaks.** Side conversations distract from the speaker and the listeners. Be respectful of others and wait for your chance to speak.
- **Share the Conversation.** Speak freely and to the point but be mindful that others also want a chance to comment.
- **Be Comfortable.** Feel free to stand, refresh your beverage or leave the room for a break. Tell the facilitator if the room is not comfortable.
- **No Distractions.** Put your cell phones on vibrate or silent. If you are online during the meeting, try to stay focused on discussions.
- **Time is Money.** Every minute you spend at the meeting is valuable time; make sure you maximize your value by paying close attention.
- **Agree to Disagree.** Debate topics and always be respectful of other opinions. Keep an open mind.

## **Requirements & Guidelines**

• **Revised September 22, 2012**

### **Rules of Conduct - continued.**

- If a member has failed to maintain acceptable standards in any of the areas noted above, or should a member fail to attend two meetings within a twelve month period, that member's continued affiliation within the group will be reviewed by DSP and the remaining group members. DSP will consider any extenuating circumstances and will make a recommendation to the group, regarding the need for a vote. Any member's affiliation in the group may be terminated at any time by the vote of two-thirds of the member's
- Any member may propose an amendment to these requirements by sending a copy of the suggested change to each member of the group and DSP at least 30 days prior to the 20 Group Meeting in which the change will be considered. Suggested change(s) in the requirements will be discussed at 20 Group Meetings only.
- Amendments must be approved by DSP and a unanimous vote of those members present at the meeting in which the amendment is considered. Those amendments will only govern subject group and will not change this "Master Document".
- Monthly Composite Reports: DSP will provide monthly composite reports based on monthly financial information submitted by each Member. Composite reports for each 20 Group will compare each Member's data utilizing a variety of financial and operational metrics and will be posted on the DSP web site in a secure area accessible to Members through a system of user names and passwords. Upon request DSP will mail a member a copy of the monthly analysis.

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**Revised September 22, 2012**

- **Inter-Group Sharing of Data and Information:** From time to time information and ideas developed in one 20 Group will have applications to other DSP 20 Groups. When data of one 20 Group is used outside of that Group, it will be summarized to protect the confidentiality of the individual Members of the Group. DSP will prepare and distribute such items to other DSP 20 Groups so that each group may benefit from the efforts of others.
- **20 Group Meetings:** DSP will coordinate and facilitate up to three (3) 20 Group Meetings per year per group. DSP will make arrangements for meeting sites and times as directed by each 20 Group including all specific arrangements for meeting rooms, group sponsored events, and blocks of hotel rooms. In addition, DSP will have at least one employee on site to coordinate and facilitate the meeting process (the Facilitator).
- **One Time Set up Fee:** There will be a one time set up fee of \$799.00 due and payable at inception of membership. This charge is to register a dealer into system and establish the most efficient method of data transfer from the dealer to DSP.
- **Monthly Fee:** The recurring monthly fees of \$299.00 for the first twelve months of membership, thereafter, \$349.00 for the second twelve months and \$399.00 per month thereafter will be billed quarterly in advance and due upon receipt. There are two methods of payment, by check or credit card. All monthly charges will cease when Member terminates membership in the manner called for in this Agreement.
- **Expenses:** Members will be responsible for their own travel expenses related to any 20 Group Meetings coordinated and/or facilitated by DSP. DSP may advance funds from time to time for group social functions and/or other authorized group expenditures related to 20 Group Meetings and will bill these amounts back to Members on a prorated basis. All meeting expenses that are incurred for the collective benefit of the group such as planned social functions, DSP facilitator travel expense, meeting room equipment, and outside speakers will be prorated to all Group Members whether present at the meeting or not. Members are responsible for the direct and prorated expenses of their invited guests.

## Requirements & Guidelines

Revised September 22, 2012

### **“Confidential and Mutual Agreement”**

- DSP and Members (collectively the "Parties") mutually acknowledge that confidential information will be shared by and between the Parties and other 20 Group Members as a necessary part of the 20 Group process. Member will make available to DSP certain Confidential Information from the Member that will be disseminated to other Members of the group. DSP agrees to use such Confidential Information subject to and in recognition of the duties and obligations set forth in this Agreement. The Parties understand and agree that Confidential Information, as used herein, shall mean and include any proprietary information specific to the Member and provided to DSP as a result of DSP providing services under this Agreement except that "Confidential Information" shall not be defined to include information or materials that were and/or are generally available to the public. In addition, Member hereby grants consent to DSP to utilize their data, whether it is deemed to be Confidential Information or not, in anonymous forms and in combination with other Members data for generating group statistics such as group averages, industry averages, composite totals, etc. to be shared with third parties.
- A member or DSP may terminate this Agreement by notifying the other party in writing. Termination will become effective at the end of the calendar month during which such notice was received by the respective party. Member will be responsible for payment of any outstanding amounts due to DSP at the time of termination of the Agreement regardless of which party terminated the Agreement. DSP reserves the right to suspend services to Member if amounts due become 60 days delinquent.
- **Prospective Member:** I have thoroughly read, understand, agree and commit to the “Requirements and Guidelines” presented by Dealer Strategic Planning, Inc.

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Member Signature

Date

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(Print Name)

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DSP Signature

Date