



**Kia Motors America, Inc.**

**Corporate Headquarters**

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February 5, 2019

**Subject: Kia 20 Group, In-Dealership Consulting (IDC), Dealer/GM Training, and System Software Support Program!**

Dear Kia Retailer:

There are currently 88 Kia Dealers participating in six (6) Kia 20 Groups nationally, with participating Dealers earning over 26% more net profit last year compared to the Kia National average. We know that 20 Group participation delivers positive financial and operational results, which is why we are pleased to extend our dealership support program for 2019!

Kia 20 Group dealers review performance results on a monthly basis and meet 2-3 times per year to share best practices for the unique Kia sales and service environment. Led by experienced dealership consultants, each group consists of non-competing Kia dealers that together work on ways to improve dealership profitability and performance

This important Dealer profitability improvement initiative is meant to encourage dedicated Kia 20 Group participation for both existing members as well new ones for 2019. Therefore, starting in January 2019, KMA will pay 50% of member dues for Kia 20 Group members, payable to the pre-approved organizations: NCM or NADA.

Kia Dealers actively participating in a Kia 20 Group will be eligible for 50% co-op support as follows:

- Up to \$5,000 for in-dealership consulting;
- Up to \$2,500 for instructor-led training for Dealer Principals and/or General Managers to help dealerships accelerate operational and profitability improvement between their Kia 20 Group meetings; and/or
- Up to \$500 support for system software installed at your dealership to drive accountability and performance.

Action Required

If you have thought about joining a Kia 20 Group, now is the time! New Kia 20 Group member Dealers will receive monthly co-op for the balance of CY2019. Full program details are attached.

Kia Dealer profitability is a top priority for us, and this is one of several initiatives intended to help improve Kia dealership profitability. We hope that you will take advantage of this program in 2019!

Sincerely,

Greg Grulikowski  
Director, Retail Development



## 2019 Kia 20 Group Support & Training Program Rules

**Program Period:** January 2, 2019 – December 31, 2019

### **Program Overview**

Kia Motors America, Inc. (**KMA**) is pleased to announce the **Kia 20 Group Support & Training Program** (the "**Program**"). Kia 20 Groups are currently operated by NCM Associates ("**NCM**") and the National Automobile Dealer Association ("**NADA**"). Both organizations are seeking to expand existing groups and start new groups.

Dealer participation in the Program is voluntary and is subject to all the terms and conditions set forth herein (the "**Rules**"). Program funds are limited and priority will be given to authorized Kia Dealers (each, a "**Dealer**") in order of KMA's receipt of (i) confirmation from NCM or NADA (as applicable) of a Dealer's acceptance into a Kia 20 Group, and (ii) the completed Program Application and Pre-Approval Form (Attachment "1").

### **Kia 20 Group Dues**

KMA will support Dealer membership in Kia 20 Groups from January 2, 2019. Subject to the availability of Program funds, Dealers who join, or renew their membership in, an NCM or NADA Kia 20 Group in 2019, are eligible for fifty-percent (50%) of their 2019 calendar year membership dues paid (the "**Membership Support**") by KMA directly to NCM or NADA. Renewing dealers are eligible to receive Membership Support retroactive to January 1, 2019.

Upon Dealer's acceptance in a Kia 20 Group, NADA or NCM will notify KMA and KMA will pay half of the 2019 membership dues directly to the relevant organization.

### **Instructor-Led Training, In-Dealership Consulting, and System Co-Op Support**

Kia 20 Group Dealer members are eligible for the following training benefits (the "**Performance Support**"):

- Fifty-percent (50%) co-op reimbursement from KMA for participation in pre-approved Instructor-Led Training ("**ILT**"), up to a maximum of \$2,500 per dealership.
- Fifty-percent (50%) co-op reimbursement from KMA for In-Dealership Consulting ("**IDC**") programs conducted by one of KMA's pre-approved vendors, up to a maximum of \$5,000 per dealership.
- Fifty-percent (50%) co-op reimbursement from KMA for performance system software ("**System Support**"), up to a maximum of \$500 per dealership.

To apply for Performance Support, Dealers must have valid membership in a Kia 20 Group, as confirmed by NADA or NCM, and must submit a completed Program Application and Pre-Approval Form to KMA. To be eligible for training reimbursement, all ILT and IDC sessions must be completed on or before December 31, 2019.

Dealers may propose alternative training course(s) with pre-approved vendors, for either ILT and/or IDC co-op support, by submitting the appropriate information on the Program Application and Pre-Approval Form. KMA reserves the right, in its sole judgment, to approve or decline such alternative course(s).

Credits for Training or System Support reimbursement will appear on the Dealer statement within thirty (30) days after KMA's receipt of verification of completion of ILC, IDC, or a qualified System Support invoice.

In order to qualify for Program support, Dealer must be a Kia 20 Group member during calendar year 2019. If Dealer, for any reason, ceases to be a Kia 20 Group member prior to the end of 2019, any payment made by KMA, whether for Membership Support and Performance Support, will be charged back to Dealer's Kia dealer account (including, but not limited to, any payments by KMA to NADA or NCM). In addition, if a General Manager ("GM") who completes training courses that are the basis for a Program reimbursement payment leaves Dealer within one year of such training, Dealer may be charged back for such payment (unless the GM assumes a position as GM of another authorized Kia Dealer).

### **Additional Terms and Conditions**

- In order to be eligible to qualify for the Program, a Dealer must be operational as of May 31, 2019 and remain an authorized Kia Dealer for all of 2019. KMA reserves the right to disqualify from the Program any Dealer that is not in good standing and/or is not in compliance with its Kia Dealer Agreement.
- The Dealer representative attending the 20 Group meetings must be either the Dealer Operator or an owner of Dealer who is active in the Dealer's Kia business (rather than, for example, an investor or trust beneficiary).
- The Dealer representative(s) attending ILT events must be either the Dealer Operator, an owner of Dealer who is active in the Dealer's Kia business (rather than, for example, an investor or trust beneficiary), or the GM of Dealer.
- If a Dealer who initially qualifies for the Program subsequently becomes ineligible for any reason (including, without limitation, submission of a proposed buy-sell, or termination of Kia 20 Group membership), any Membership Support and Performance Support paid to or on behalf of Dealer (including, but not limited to, payments made to NADA or NCM) will be charged back to Dealer's Kia dealer account. In addition, any Membership Support or Performance Support payment will be charged back to Dealer's Kia dealer account if Dealer fails to comply with any part of these Rules.
- KMA reserves the right to audit all Dealer records and to disqualify any Dealer for failure to submit accurate information or for any other failure to comply with these Rules or the Dealer Agreement. The submission by a Dealer of false or fraudulent information may result in, among other things, disqualification from the Program, chargebacks, and/or other appropriate action in accordance with the Dealer Agreement.
- In all matters relating to the interpretation and application of these Rules, the decision of KMA shall be final and non-appealable. KMA reserves the right to cancel, amend or revoke this Program and/or these Rules at any time, with or without notice to Dealer.

- KMA reserves the right in its sole judgment to add additional authorized vendors or designate alternative vendor(s) to replace any previously authorized vendor in connection with these Rules.
- KMA does not render any tax advice on the support payments made to Dealers or any other parties in connection with the Program.
- This is not an agreement, a contract, or an offer to contract. Although training under this Program may be offered to Dealer employees, this is not an employment agreement and does not create any employment relationship between KMA and any Dealer employee, or anyone else.
- KMA reserves the right not to offer or to withdraw all or part of the Program in any state based on KMA's interpretation of applicable law or any court or administrative order.
- By participating in the Program, Dealer accepts all the terms and conditions of the Program and these Rules.





Kia 20 Group Dealer  
2019 Instructor-Led Training, In-Store Consulting and Systems Support  
Application and Pre-Approval Form

*Under the **Kia 20 Group Support & Training Program (the "Program")**, Kia dealers who are participating in a Kia 20 Group with NADA or NCM are eligible for (i) a one-time CY2019 50% co-op reimbursement (up to a maximum of \$5,000) for in-store consulting (ISC), (ii) a 50% co-op reimbursement (up to a maximum of \$2,500) for Instructor-Led Training (ILT), offered by KMA-approved vendors, and (iii) a one-time 50% co-op reimbursement on special performance system software support (Systems Support) (up to a maximum of \$500). Please see the **2019 Kia 20 Group Support Program Rules (the "Rules")** for all terms and conditions. Vendors not included on the KMA pre-approved ISC or ILC lists below must be authorized in writing by KMA prior to enrollment. **Please note that any application is subject to availability of Program funds and that written pre-approval from KMA is required in order to be eligible for any co-op support reimbursement.***

**By participating in the Program and submitting this application, Dealer hereby accepts all terms and conditions in the Rules.**

**Dealer Name:** \_\_\_\_\_ **Dealer Code:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Requested Instructor-Led Training (ILT) Courses:**

**NADA Academy classes (Tyson, VA) or Online**

Financial Management	
Fixed Operations 1 (Parts)	
Fixed Operations 2 (Service)	
Variable Operations 1 (Pre-Owned)	
Variable Operations 2 (New)	
Business Leadership	

**NCMi Classes (Kansas City, KS) or Online**

General Mgmt Exec Program (GMEP)	
NCM-Rawls Dealer Executive Program	
General Management I	
General Management II	
Financial Management I	
Financial Management II	
Effective Leadership	
Hiring Top Talent Success-Driven Pay Plans	
General Mgr.'s Guide to Service & Parts	

**Performance System Software:**

Name	Description	Cost

**In-Dealership Consulting (IDC) Requested:**

Vendor	Description (Number of Days)	Cost
NCM		
NADA		
Randy Brenckman Solutions		

Signed:

\_\_\_\_\_

Print Name and Title:

\_\_\_\_\_

**Submit to:**

Kia Motors America, Retail Development

Attn: Linda Cedertorn

111 Peters Canyon Rd. Irvine, CA 92606

[RetailDevelopment@kiausa.com](mailto:RetailDevelopment@kiausa.com)

KMA Retail Development

Approval, Date: \_\_\_\_\_