

AMERICAN HONDA MOTOR CO., INC.

SURVEY INTEGRITY POLICY

I. Objectives

American Honda Motor Co., Inc.'s ("American Honda") ultimate goal is lifetime owner loyalty. A major component of owner loyalty is high customer satisfaction with the purchase or service experience. To evaluate customer satisfaction, American Honda surveys customers after a new vehicle purchase or qualifying service experience with its Dealers. For such survey information to be meaningful, it must be accurate. American Honda has been made aware that some Authorized Acura Dealers are engaging in activities that may alter or manipulate the outcome of the survey process, including actions that improperly influence the customer to report scores that do not accurately reflect customer opinion. American Honda believes that these actions are inconsistent with the Acura Dealer Sales and Service Agreement ("the Dealer Agreement"). American Honda also believes that such actions are detrimental to the customer, and to American Honda's ability to provide the highest level of customer satisfaction. Accordingly, American Honda adopts the following policy with respect to the customer survey process.

II. Background

For new vehicle sales, American Honda surveys customers by telephone, using the iSKY system. Individual survey results are available quickly on the Interactive Network (iN). Dealership scores and individual employee reports are updated daily, and are also available on iN.

The system for measuring satisfaction with the service experience is the Service and Repair Survey (SRS). These surveys are in paper format, and are mailed weekly to a random sample of 0-7 year vehicle owners who recently had a service experience. This experience could be a warranty, customer pay, goodwill, recall, or body shop repair. American Honda provides SRS information to all dealerships on the iN system, including reports on dealership and individual employee performance.

Accurate customer information is critical to the success of the Dealership's business, both to respond to individual customer problems and to improve internal dealership processes. Continued growth and return on Dealership investment depends on the Dealership's ability to satisfy ever-changing customer needs. Inaccurate customer data is valueless to the Dealer for this purpose. Dealerships also may want to consider that research shows that directly asking the customer for a positive rating leads to customer cynicism about the survey's purpose, creating instead customer DISsatisfaction.

III. Prohibited Conduct

Any attempts to manipulate or cause inaccuracies in the survey process in any way, including the reporting of false or inaccurate information, or influencing customers to give scores that do not reflect customers' opinions, are improper and in violation of the Survey Integrity Policy.

For example, it is NOT acceptable to:

- Purposely report incorrect customer information
- Show customers and/or display the survey or any of its questions
- Discuss specific questions on the survey
- Ask customers to return the written surveys directly to the dealership or offer assistance in completing the survey
- Ask for, or merchandise within the dealership, an "Excellent" / "5" or request any other kind of positive response
- Explain the survey methodology with regard to scoring of the questions

- Contact the customer after the sales and service experience and offer assistance if he/she can't give an "Excellent" / "5" or other positive responses
- Offer any incentive, such as a free oil change, in return for a particular score
- Imply or directly state that the survey is a "report card" or that it will impact dealer personnel pay

To ensure the information collected by the customer surveys accurately reflects client opinion, below are some additional illustrations of what is acceptable and what is not acceptable:

| Reporting customer transaction information completely, accurately and in a timely manner | | |
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| | What's Acceptable? | What's Not Acceptable? |
| Sales and Warranty Reporting | <ul style="list-style-type: none"> ○ Reporting customer sales and warranty information correctly, accurately and in a timely manner. | <ul style="list-style-type: none"> ○ Purposely reporting incorrect customer information. |
| Allowing customers to express their true, unfiltered opinions without dealership intervention | | |
| | What's Acceptable? | What's Not Acceptable? |
| Survey Coaching | <ul style="list-style-type: none"> ○ Verbally, in writing or e-mail informing the customer that they will receive a survey, that the dealership values their opinions, and appreciates that the customer completes the survey. | <ul style="list-style-type: none"> ○ Verbally or in writing explaining to customers that dealership, sales consultants or service advisor compensation depends on positive responses to any or all questions on the survey. |
| Influencing Survey Response Rate and/or Responses | <ul style="list-style-type: none"> ○ Verbally, in writing or e-mail thanking the customer for their business and asking that they would take the time to complete and return the survey. | <ul style="list-style-type: none"> ○ Offering the customer an incentive (free gas, oil change, etc) to mail in the survey and/or answer positively to survey questions. ○ Showing customers a pre-completed survey. ○ Verbally or in writing instructing the customer how to answer the survey. |
| Ensuring survey materials are original, mailed to the customer by American Honda Motor Company, Inc. and filled out and returned in complete privacy by the customer | | |
| | What's Acceptable? | What's Not Acceptable? |
| Original Survey and Business Reply Envelope | <ul style="list-style-type: none"> ○ Doing nothing. The survey should be sent to the customer's home or business, completed by the customer in private and returned in the original business reply envelope with no dealership or outside interference. | <ul style="list-style-type: none"> ○ Asking customers to return the surveys to the dealership or any outside company. ○ Returning surveys for any reason in a dealership, plain or non-original business reply envelope. ○ Altering the surveys' original scores. ○ Collecting and completing blank surveys for the customer. ○ Sending in copies of surveys. ○ Collecting surveys and business reply envelopes and sending in surveys with positive scores. |

It is also NOT acceptable to ask customers to "retract" their score if later conversations provide information in conflict with their original ratings. The reason for customer follow-up is to solve the customer's problem. American Honda does NOT change survey scores or remove surveys based upon subsequent conversations.

Finally, it is NOT acceptable for dealers to try in any way to manipulate the process by providing false or "safe" addresses or telephone numbers. Any dealer caught manipulating the system or engaging in unacceptable practices will be held in violation and subject to the enforcements outlined in the policy.

American Honda does not have policies regarding dealer pay plans. American Honda does not in any way encourage dealerships to pay individual dealership personnel based on the surveys. Pay plans are solely up to the individual discretion of each dealership.

IV. Monitoring

American Honda will monitor all channels of customer commentary for reference to discussion of any survey. These channels include, but are not excluded to:

- iSKY survey comments
- iSKY and SRS validity reporting
- Verbatims on written SRS survey
- EOR survey comments
- Contacts through Automobile Customer Service
- Written dealer materials discussing surveys
- Survey examples displayed at the dealership
- Customer mailings discussing surveys
- Customer calls, letters or e-mails to AHM

Information will be maintained by the Zone office, and will be available to the involved Dealer Principal upon request.

V. Enforcement

Effective January 1, 2004, Survey Integrity Policy violations as documented above will result in the following, in addition to a six-month probationary period:

- First violation – letter to dealer, dealer placed on probation
- Second violation within probationary period – letter to dealer with request for written response
- Third violation within probationary period – disqualification from Precision Team Award, EXCELL Validation, Trips and Merchandising events for Dealer Principal, General Manager and all Departmental Managers. Disqualification will remain in effect for the calendar year in which it is received.
- Fourth violation – In addition to the above outlined remedies, American Honda will not consider Authorized Acura Dealer for any additional AHM dealership location(s) for five (5) years thereafter.

Notwithstanding the above, American Honda considers Survey Integrity Policy violations to be inconsistent with the Dealer Agreement (including but not limited to paragraphs 20.4.F, 20.4.O, and the Statement of Philosophy of the current Dealer Agreement; paragraphs 3.4, 9.4.F, 9.4.N of the prior Dealer Agreement) and reserves its rights to take appropriate action to prevent such violations.

American Honda Motor Co., Inc. reserves the right to change the content of the Survey Integrity Policy at any time.