



**Chevrolet Buick GMC
Advertising Integrity Standards
Program Guidelines**

5/1/19

IMPORTANT

This Advertising Integrity Standards Program (the “AIS”) addresses advertising and marketing only. ***Dealers are free to sell their vehicles at any price they choose.*** Chevrolet Buick GMC (“GM”) will run a trial period of the AIS starting May 6, 2019 and concluding when notice is communicated to Dealers via Global Connect (the “Trial Period”). During the Trial Period, Dealers will have the opportunity to learn how AIS works and to become familiar with these Program Guidelines (“Guidelines”) prior to the implementation of the full program. ***There will be no financial implications for violations of these Guidelines during the Trial Period.*** Further, please note that during the Trial Period, the AIS will focus exclusively on retail purchase dealer website advertising and marketing.

WHY DID GM CREATE THE ADVERTISING INTEGRITY STANDARDS PROGRAM?

Today’s customers have many choices when it comes time to make their next vehicle purchase. These customers also have more information at their fingertips than ever before. GM believes that when customers are well-informed, they will see the tremendous performance, quality, and value that Chevrolet Buick GMC cars, trucks, and SUVs provide. The Dealer plays a critical role in helping educate these customers and selling them on the benefits of Chevrolet Buick GMC products. When Dealers do that well, they drive traffic to their stores, sell Chevrolet Buick GMC vehicles, and provide a positive customer experience.

Transparency in pricing is a key part of this effort. Customers have the right to come into the dealership with a clear and correct understanding of the offers that the Dealer has advertised. Customers should know, based on the Dealer’s transparent pricing advertising, whether they are eligible for the advertised offers and what the cost of the vehicle will be. When the Dealer advertises in a way that meets this minimum expectation, it helps create and sustain loyal, passionate, and well-informed customers. However, when the Dealer does not advertise its prices in a transparent way, it leads to dissatisfied customers. No customer wants to arrive at the dealership only to learn that they will need to pay something different than what they expected (typically more). That kind of poor experience can impair our ability to build a loyal, passionate customer base, leading to defection to non-GM brands. This damages the goodwill that we have worked so hard to build for the Chevrolet, Buick, and GMC brands.

The AIS Program, which was created at the request of, and developed in partnership with, many Chevrolet, Buick, and GMC dealers and the Chevrolet and Buick GMC National Dealer Councils, is designed to standardize the transparency with which dealers go-to-market with advertised prices. The objective is that each customer has a transparent basis upon which to understand the advertised price of a vehicle and if they qualify for that price.

INTERACTION WITH iMR AND DEALER AD STANDARDS

The AIS is an entirely new program that is separate from iMR and the Dealer Ad Standards program. Each program will have its own guidelines/requirements/processes.

- iMR and the current Dealer Ad Standards program will continue to exist and address issues relating to *logos, fonts, distressed language, etc.*
- This AIS Program will address *advertised* pricing and offers.
- These two programs operate independently. A violation of one program will not be considered a violation of the other.

HOW WILL THE ADVERTISING INTEGRITY STANDARDS PROGRAM BE MANAGED?

The program will have a dedicated tab on GM LAM, with different dashboards for specific users: dealer, GM, and Program Headquarters (“PHQ”). Information regarding program compliance reviews, strikes, appeals, and other issues will be found on GM LAM. If a Dealer has any specific questions, they can be submitted on the AIS Portal on GM LAM, to the dedicated Chevrolet Buick GMC Advertising Integrity email (cbgais@gmlam.com), or to their District Sales Manager.

CHANGES TO THE PROGRAM

From time to time, changes to the program may be necessary. GM reserves the right to amend, modify, terminate, or cancel the AIS Program at any time in its sole discretion upon thirty (30) days’ prior written notice to Dealers.

IMPACT ON DEALER PRICING

This AIS Program does not impact the price the Dealer chooses to sell a vehicle; the Dealer can sell its vehicles for any price it chooses. Similarly, the Dealer can advertise a vehicle for any price it chooses; **the AIS does NOT have a minimum allowable advertised price component.** However, the advertised price must be clearly and conspicuously displayed so the customer understands how it is possible to purchase the vehicle for that price ad/or understand if they qualify for the advertised offers. There must be complete transparency to the customer and no misleading or deceptive offers.

COMPLIANCE WITH LAWS

The implementation of the AIS Program is a supplement to, and not a substitute for, each Dealer’s adherence to applicable federal/state/local advertising and marketing laws, compliance for which is each Dealer’s additional and sole responsibility. GM is not undertaking any legal review of a Dealer’s advertising and marketing. GM’s review of Dealer advertising and marketing materials will be limited solely to verifying Dealer compliance with the AIS Program business requirements, and such verification by GM does not extend to whether those advertising and marketing materials comply with applicable federal/state/local advertising and marketing laws. The AIS Program and these Guidelines do not in any way constitute legal advice. It is strongly recommended that Dealers consult with their own legal counsel if they have any questions regarding legal compliance.

STANDARDIZED ADVERTISED OFFERS

The following AIS Program requirements must be adhered to by each Dealer. Failure to comply with these requirements will violate the terms of these AIS Program Guidelines and will trigger the strike process set forth below:

1. Clearly explain line-by-line each offer, its corresponding amount, and its corresponding details so that the customer has a clear understanding of how the advertised offer is achieved.
2. If a total value offer is derived from two or more separate offers, each separate offer, corresponding amount, and corresponding details must be clearly explained line-by-line so the customer can see how the total value is calculated and understand how the advertised offer is achieved.
3. Display an MSRP that is equal to the MSRP as displayed on the GM invoice.
4. Clearly identify within the offer those offers that are not available to the general public (*e.g.* Conquest, Loyalty, Employee, etc.) and clearly state all requirements in order to qualify for the offer.
5. Only combine offers that are truly compatible (*e.g.*, Conquest and Loyalty offers cannot be stacked together in one offer, as they are not compatible).
6. A minimum or specified value of a customer trade-in cannot be included as a condition of the offer.
7. If permitted by the Dealer's state laws (including mileage thresholds required to be classified as a new vehicle), the Dealer may advertise CTP/Dealer demo vehicles. In such cases, it must be clearly stated that the vehicle has more mileage than a normal new retail unit.
8. When advertising a vehicle price, payment, or offer:
 - a. the ad must identify the vehicle by model year, model, trim level, and whether it is new, used, or Certified Pre-Owned;
 - b. the ad must include all charges that the customer pays for the vehicle sale except state and local taxes, tags, registration, and title; and
 - c. if there are only a very limited number of applicable vehicles, the Dealer must have the vehicles in stock and include the VIN or stock numbers identifying them.
9. The following are recommendations for advertising lease offers:
 - a. the ad must indicate the offer is a lease;
 - b. the ad must include the model year, model, and trim of the advertised vehicle;
 - c. the ad must include the total amount due at signing;
 - d. the ad must include the length of the lease;
 - e. the ad must include whether or not a security deposit is required;
 - f. the ad must include the amount of the periodic payment on the lease as well as the applicable periods (*i.e.* \$599 per month);
 - g. the ad should include any significant mileage limitations; and
 - h. if the lease is limited to a certain population and is therefore not an offer available to the general public, that limitation should be included in the offer heading.
10. The following are recommendations for advertising APR without term offers:
 - a. the ad must include the model year, model, and trim (if applicable) of the advertised vehicle;
 - b. the ad must include the advertised rate and acronym "APR" (Annual Percentage Rate) *e.g.*, "1.9% APR";
 - c. all APR offers must be prominently described as being available "for qualified buys", "for well qualified buyers", or "for very well qualified buyers", depending on the tier requirements of the APR offer; and

- d. if the APR offer is limited to a certain population and is therefore not an offer available to the general public, that limitation should be included in the offer heading.

11. The following are recommendations for advertising APR with term offers:

- a. The ad must include all of the conditions expressed above in 10 as well as the following:
 - i. the amount or percentage of the down payment;
 - ii. the terms of repayment;
 - iii. the annual percentage rates, using that term or “APR”; and
 - iv. the fact that the annual percentage rate may be increased after the consummation of the transaction, if that is the case.

In addition to the above AIS Program requirements, each state has specific regulations for how advertised offers can be visually and audibly presented to customers. Again, GM will only be monitoring whether the dealer’s advertising materials are properly transparent as required by this AIS Program; it will not be monitoring compliance with the law. Each Dealer is strongly encouraged to seek legal counsel to ensure compliance with all local/state/federal laws. Furthermore, from a logistics standpoint:

- Dealers who opt-in to GM’s Formula Pricing and/or Integrated Incentives Feed receive a turnkey approach to advertising monthly incentive offers. Each month’s offers, corresponding amounts, and corresponding details automatically load to the Digital Marketing Package website. Please note, however, that under this approach, Dealers must still manually enter all other Dealer-managed specials/conditional offers they choose to offer to customers, and Dealers must comply with this AIS Program when manually entering such information.
- Dealers who elect not to receive GM’s Formula Pricing and/or Integrated Incentives Feed must manually enter and explain line-by-line each and every GM- and Dealer-managed offer, corresponding amount, and corresponding details, and Dealers must comply with this AIS Program when manually entering such information.

THE COMPLIANCE REVIEW, STRIKE, AND PEER-SUBMISSION PROCESS

The process of managing Dealer compliance with these AIS Program Guidelines involves a “3-Strike” process. The Dealer that receives 3 strikes in a rolling 90-day period will be subject to financial implications (note: not applicable for the Trial Period). There are two ways in which the Dealer can be determined to have a strike. The first is through regularly conducted compliance reviews. The second is through compliance reviews conducted as the result of the peer-submission process.

COMPLIANCE REVIEW SCOPE

On behalf of GM, PHQ will conduct regular compliance reviews of each Dealer’s advertising and marketing to ensure compliance with the AIS Program Guidelines. **During the Trial Period, the focus of the compliance reviews will be solely on Dealer websites for retail purchase only.** This includes any Dealer website that features Chevrolet, Buick, or GMC vehicles. However, other advertising and marketing media (e.g., print, radio, TV) is expected to be subject to compliance review in the future. GM will update these AIS Program Guidelines at that time.

Important Note: GM will not review advertising or marketing material prior to publication, nor will they provide any approval of such materials.

If, during the compliance review process, the Dealer is found to be compliant, it will be business as usual for that Dealer. The Dealer will not be notified that a compliance review has taken place or that they have passed.

However, if the Dealer is found to be non-compliant, the “3-Strike” process will be initiated as detailed below.

NOTIFICATION OF INFRACTIONS AND STRIKE PROCESS

If the compliance review process determines that the Dealer’s advertising or marketing violates these Guidelines, PHQ will notify that Dealer about the infraction. The manner of the notification will vary depending on the number of strikes the Dealer has received. In all instances, PHQ will:

1. Notify Dealer with an email message sent to the three required email addresses listed in that Dealer’s program profile: 1) Dealer Principal/General Manager, 2) Executive Manager, and 3) Internet/Digital Manager. Note: These three individuals will be required to take Center of Learning training courses announced in April, 2019.

NOTE: While AIS is administered through GM LAM, all communications about AIS will be sent to the contact information that Dealers have submitted in Global Connect. Please go to Global Connect and select the arrow in the top right corner, then select “My Profile” to verify your information is correct so all relevant Dealer personnel receive official AIS notifications.

2. Send a certified letter to the dealership, addressed to the Dealer Principal/General Manager (applies to strike notifications only).

In addition to the PHQ notification, the Dealer may also receive communications from the field team as follows:

- Initial Infraction/Strike 1: The District Sales Manager contacts Dealer about the infraction/strike.
- Strike 2: The District Sales Manager or Zone Manager contacts Dealer about the strike.
- Strike 3: The Zone Manager or Regional Director contacts Dealer about the strike.

Strikes reset on a rolling 90-day basis. For example, if the Dealer incurs Strike 1 on April 15, and the Dealer does not reach Strike 3 within the subsequent 90 days (i.e. by July 15), its strike count will return to zero (0) strikes and a new 90-day rolling period will begin.

Strikes 1/2/3 are cumulative at the BAC level, regardless of the division (i.e. Chevrolet/Buick/GMC) that may have incurred the strike. For example, for a Chevrolet Buick GMC dealer, a Strike 1 on a non-compliant Buick vehicle will apply to the entire BAC, not just to the Buick portion of the BAC.

SEQUENCE OF EVENTS

With each infraction, the level of GM involvement will escalate. Below describes the process for three infractions and possible strikes.

- First infraction: A strike is not immediately issued.
 - PHQ will provide the Dealer with an annotation and description of the non-compliant portion of the Dealer’s website via the AIS Portal on GM LAM and what the Dealer must do to “cure” the non-compliance and not incur a strike.
 - If Dealer does not cure the infraction to GM’s satisfaction on the AIS Portal within five (5) calendar days → **Strike 1 is issued.**
 - If Dealer does cure the infraction to GM’s satisfaction on the AIS Portal within five (5) calendar days → **no Strike.**
 - GM will determine, in its sole discretion, whether the Dealer’s action cures the infraction.

- Second and third infractions: A strike is immediately issued.

PHQ will provide the Dealer with an annotation and description of the non-compliant portion of the Dealer's website via GM LAM. The Dealer will not be provided the opportunity to *cure* the second and third infractions; they will immediately receive a second or third strike. However, the Dealer may *appeal* the second and third strike upon receipt of the infraction notice (see the required Appeal Process as outlined in detail below).

APPEAL PROCESS

NOTE: In order to appeal a strike, all three required Dealer personnel (as listed in the "Notification of Infractions and Strike Process" section) must have successfully completed the GM Center of Learning web-based training course about AIS. Divisional field teams will be provided with a list of Dealership personnel who have completed the training.

The Dealer can appeal after receiving Strike 2 or 3. In order to appeal, the Dealer must present the DSM with a valid rationale for appeal, and have the DSM submit the appeal to PHQ within seven (7) calendar days from notice of the second or third strike for review and approval by GM.

In order for an appeal to be considered, the Dealer must provide the DSM documentation (e.g. screenshot, PDF, VIN, stock number, etc.) and a detailed explanation showing why they believe they should not have incurred a strike. If approved, the DSM will submit the appeal on behalf of the Dealer to the AIS portal within 7 days of the strike notification.

GM will review the appeal and respond to the dealer within 7 calendar days for Strike 2 and 14 days for Strike 3 from when the appeal was submitted on the AIS portal on GM LAM.

While the Dealer will not incur a financial implication for receiving three strikes in the Trial Period, the Dealer is strongly encouraged to appeal both Strike 2 and 3 if they feel they have valid grounds for an appeal. This will allow the Dealer to fully understand the AIS program and Guidelines before the Trial Period is completed.

PEER SUBMISSION PROCESS

The AIS program includes the option for any Dealer to anonymously report another Dealer who they believe has violated these Guidelines. This peer reporting tool will exist in the AIS portal on GM LAM only. **GM will not consider any peer submissions through any medium other than GM LAM.** The peer review process is limited to offers that have appeared on dealer websites within the immediately preceding ten (10) calendar days prior to the peer submission by the reporting Dealer.

The anonymous reporting Dealer must provide valid evidence of the specific offer on a different Dealer's website that it believes in good faith violates the AIS Program Guidelines. Screenshots, PDFs, website URL, and all other relevant materials must be uploaded to the AIS portal on GM LAM for a peer submission to be taken into consideration. A reporting Dealer can only report another unique Dealer once per month; attempted abuses in terms of reporting the same Dealer multiple times will trigger an error message in GM LAM. However, a reporting Dealer can report multiple unique dealers in the same month. All actions will be confidential. GM will not share with any reporting Dealer the actions it takes, if any, with respect to any other Dealer.

Example of Peer Submission Process:

- Dealer A (the "Reporting Dealer") submits a report on the AIS portal on GM LAM regarding Dealer B's offer that it believes violates these AIS Program Guidelines. The Reporting Dealer uploads URLs, screenshots, PDF, and other relevant evidence to GM LAM.

- The Reporting Dealer receives an automated message in GM LAM stating that its peer submission was received. That is the end of formal communication with the Reporting Dealer regarding this peer submission. The Reporting Dealer will NOT be informed if Dealer B will get a compliance review, receive a strike, etc.

If GM determines that the peer submission process merits a compliance review, the compliance review and infraction/strike communication process will begin as detailed previously. Additional peer submissions will not be considered if the Dealer is in the cure/appeal process.

FINANCIAL IMPLICATIONS

If the Dealer receives three strikes in a rolling 90-day period, there will be no financial implications during the Trial Period. At or around the conclusion of the Trial Period, Dealers will be informed of the financial implications prior to receiving three strikes in a rolling 90-day period.

MISCELLANEOUS

WHO MUST COMPLY?

Compliance with the AIS program is an ongoing obligation of all Chevrolet Buick GMC Dealers.

LEGAL REVIEW OF CREATIVE

Each Dealer is solely responsible for its own advertising and marketing. GM strongly recommends that each Dealer consult with its own attorney regarding advertising and marketing legal compliance. GM will not review and does not undertake any responsibility for the content of Dealer advertising and marketing materials.

TAX LIABILITY

Each Dealer is responsible for any federal, state, local, or other tax consequences associated with its participation in the AIS program. Each Dealer is urged to consult its own accountant or tax advisor regarding tax issues under applicable laws.

NO OBLIGATION

GM shall have no fiduciary duties or other special duties of any kind to any Dealer under the AIS program.

PROGRAM HEADQUARTERS (PHQ) CONTACT INFORMATION

The Advertising Checking Bureau, Inc.
5775 Summer Trees Drive
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M-F 9:00 a.m. – 6:00 p.m. EST
Phone: (888) 980-6148
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