

FORD MOTOR COMPANY OF CANADA, LIMITED
CONTESTS & INCENTIVES REFERENCE GUIDE
STANDARD ELIGIBILITY RULES AND REGULATIONS FOR RETAIL INCENTIVE PROGRAMS

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1.0 SECTION #1 - GENERAL RULES OF ELIGIBILITY:

1.1 ELIGIBLE DEALERS

All Ford of Canada Dealers in operation as of the date the program commences will be eligible, unless otherwise specified in the program announcement bulletin, provided that:

- The Dealer is franchised, and operating in accordance with an appropriate DSSA, Specialty Vehicles Agreement, or DSSA Addendum for the vehicles(s) covered by the program.

Dealers will be ineligible to participate in incentive programs if:

- The Dealer is prohibited from participating in Dealer incentive programs due to Warranty Audit, Incentive Audit, or Marketing Audit performance, A, X, Z, F, and D-Plan violations, or exports outside of Canada. This eligibility restriction applies only to Dealer contests and Dealer incentive programs, excluding any Sales Consultant programs, for which the Dealer will remain eligible in which to participate.
- The Dealer chooses not to participate in the program and informs its Market Area General Manager in writing of this decision.
- The Dealer is operating in a location where the retail or Dealer incentive program is not being offered.

1.1.1 DSSA Termination:

The following shall apply when a Ford of Canada DSSA is terminated during a contest (as described in the program bulletin) or incentive program:

- When DSSA termination occurs after the program concludes, but prior to actual payment:
 - The terminated Dealer's payment statement will be credited with the amount awarded. The terminated Dealer will not be eligible for travel incentives.
- When DSSA termination occurs during a program and no replacement Dealer is immediately appointed by Ford of Canada:
 - The terminated Dealer's payment statement will be credited with any amounts awarded up to the termination date. The terminated Dealer will not be eligible for travel incentives.

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- When DSSA termination occurs during a program and a replacement Dealer is immediately appointed:
 - The terminated Dealer will receive all incentive program financial benefits up to the termination date of the DSSA. However, the replacement Dealer will receive all benefits of the program from its Appointment date through to the conclusion of the program. If the replacement Dealer is appointed mid-month, the newly appointed Dealer is ineligible to receive any month-long contest incentives, with the exception of retroactive calculation incentives, such as 'Stair-Step' incentives. The newly appointed Dealer would receive credit for the terminated Dealer's performance towards its performance objective (Further explanation of Stair-Step programs is in **Section 3.1**).

1.2 ELIGIBLE SALES/LEASES

1.2.1 Eligibility for Retail Incentive Programs

Unless otherwise stated in individual program announcement bulletins (or published updates to program announcement bulletins), the following sales/leases are eligible for retail incentive program benefits:

- Retail Sales, Red Carpet Leases and Wholesale Leases are eligible, where the sales transaction is directly between the franchised Dealer and a customer who is classified as the "End User". For Dealer incentives, in cases where vehicles are sold or traded to another Ford of Canada Dealer, it is the Dealer that sells/leases the vehicle to an "End User" that will be eligible for the Dealer incentive.
- Sales/leases and deliveries of eligible vehicles under A/Z-Plan programs (Ford of Canada employees and retirees), X-Plan programs (i.e., Friends and Neighbors, Supplier X-plan and Fleet X-plan), D-Plan, and F-Plan programs (Ford of Canada Dealer employees and family) are eligible for retail incentive programs, excluding certain programs (Refer to Smart VINCENT with respect to incentive combinability).

Fleet sales will be eligible with the following exceptions:

- Units receiving Competitive Price Allowance ("CPA") or Government Price Concession ("GPC") assistance are not eligible.
- Units receiving Ford of Canada daily rental fleet incentives are not eligible.
- Units receiving the Commercial Fleet Incentive are not eligible.
- Units receiving the Commercial Fleet Delivery Allowance are not eligible.

Unless otherwise stated, for all Dealer incentives and selected End User incentive programs (as outlined in the program announcement bulletin), a "Rule of Two (2)" will apply. The "Rule of Two (2)" requires that only up to a maximum of two (2) sales to the same End User, by the same Dealer, will be eligible for incentive program benefits. The "Rule of Two (2)" does not apply to Purchase APR, Lease APR, Delivery Allowance incentives or FALS (in-house leases) support offered by Ford of Canada

Unless specifically stated as eligible, a sale type is ineligible.

Vehicles in the "Corporate Repurchase Program" do not qualify for benefits under any Ford of Canada incentive programs.

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1.2.2 Eligibility for Fleet Incentive Programs

- Customers (typically business or government entities) that have an assigned, bona fide, and active Fleet Identification Number (FIN) are eligible for Fleet incentives.
- Fleet sales are eligible for retail incentives with the following exceptions:
 - Units receiving CPA or GPC assistance are not eligible.
 - Units receiving Ford of Canada daily rental fleet incentives are not eligible.
- In the case of contests/motivational programs, any sale to customers that are eligible for C.P.A., G.P.C. or Daily Rental Assistance are not eligible for this program, regardless of whether C.P.A, G.P.C, or Daily Rental Assistance is paid. Sale type changes may result in a recalculation of standings/results of the contest/motivational programs including such payments.
- All Fleet sales must be reported as sale type "7".

For complete details on Fleet Incentive program rules & regulations refer to the "Fleet, Business Preferred & Remarketing" section of the www.FMCdealer.com website.

1.2.3 Combinability of Retail Incentive Programs

The combinability of incentive programs should be viewed using **Smart VINCENT**.

Smart VINCENT:

Smart VINCENT is a tool that enables Dealers to quickly identify the best group of combinable incentives for a specific VIN.

Smart VINCENT will assist Dealers by:

- Determining all incentive combinations.
- Speeding up customer transaction times by automatically identifying combinable incentives.
- Reducing workload and confusion caused by multiple incentive combinations.

Smart VINCENT Overview:

- Dealers may view Retail or Fleet incentives on any unsold Ford and/or Lincoln vehicle as well as any vehicle reported sold by your Dealership.
- **Smart VINCENT** is located on www.FMCdealer.com. It can be accessed by clicking on "Smart VINCENT" on the blue Dealer Links bar.
- The incentive combinations provided by Smart VINCENT **are guaranteed provided the Dealer has a printed copy of the Smart VINCENT screen showing the incentive combination.**

Smart VINCENT 5 Step Process:

1. Enter VIN
2. Select incentives based on Order Date or Delivery Date
3. Enter Sales Information

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4. Program Selection
5. Available Incentive Packages – displays all available incentive bundles
6. Summary Page (Dealer must print this page to support the Smart VINCENT Guarantee)

Smart VINCENT Guarantee:

Ford of Canada will guarantee the accuracy of the incentive benefit displayed for each program at the time of posting, provided that Ford of Canada shall not be liable where it is apparent that Smart VINCENT is not functioning as intended. In addition, some programs require the End User and/or vehicle to meet specific requirements in order to qualify. For the guarantee to apply, the Dealer must verify and ensure that the End User and vehicle meet these requirements (including, but not limited to, Ford Credit Canada Limited leasing/financing requirements and any dependant program requirements). Smart VINCENT is intended for Dealer use only. It is to be used by the Dealer to identify potential incentives available at the time of printing and is not intended to contain full details or restrictions with respect to the available incentives. It should not be relied on for details of incentives available and may not be inclusive of all available incentives.

1.5 ELIGIBLE VEHICLES FOR RETAIL INCENTIVE PROGRAMS

Vehicles (Model Year, Nameplate, Body Style and/or option(s)) that qualify for program benefits will be communicated in the published program announcement bulletins.

To be eligible for incentive program benefits, vehicles must meet all of the following criteria:

- Eligible vehicles must be sold/leased (see “General Rules of Eligibility” Section for the definition of a retail sale) to an eligible End User during the program period (as outlined in the program announcement bulletin) to qualify for incentive program benefits.
- Selected incentives will be eligible for ‘Raincheck Protection’ (**see Section 4.7**). If an incentive is eligible for ‘Raincheck Protection’, the vehicle must still be sold/leased to the eligible End User during the program period to qualify for program benefits, however, vehicle delivery to the End User may take place after the program has concluded.
- Unless otherwise stated in the program announcement bulletin, only ‘New’ vehicles will be eligible for incentive program benefits. ‘Used’ vehicles will not be eligible for incentive program benefits, with the exception of certain vehicles used as “service” vehicles at the Dealership (**see section 1.7**).
- Only ‘New’ vehicles purchased from Ford of Canada or from a Ford of Canada franchised dealership will be eligible for incentive program benefits.

Definition of a ‘New’ vehicle

A New Vehicle is:

- A vehicle that has not been previously sold/leased to an End User (as defined in the “General Rules of Eligibility”), and where delivery to the End User has not taken place.
- If a vehicle has been sold/leased to an End User but the sale/lease was cancelled before the End User has taken delivery, it will be considered a New vehicle. However, any incentives that had been claimed on that vehicle will be charged back to the Dealer (**see section 1.8**). Once delivery has taken place, and incentive programs have been claimed, the vehicle will be considered ‘Used’.

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- Any vehicle that has not been used as a lease rental vehicle.
- Any vehicle that has not been used as a service vehicle at the Dealership. Service vehicles include: Dealer Demonstrator vehicles, Parts Trucks, Service Loaners and People Shuttles.
- Any capitalized vehicle that was previously used in Company service (including Ford Credit Canada Limited) and subsequently purchased by the Dealer from Ford of Canada.
- Any vehicle that has not been registered.

Definition of a 'Used' vehicle

A Used Vehicle is:

- Any vehicle that has been previously sold/leased to an End User (as defined in the "General Rules of Eligibility" section), and where delivery to the End User has taken place. Once delivery has taken place, and incentive programs have been claimed, the vehicle will be considered Used.
- Any vehicle that has been used as a daily rental vehicle.
- Any vehicle that has been used as a service vehicle at the Dealership. Service vehicles include: Dealer Demonstrator vehicles, Parts Trucks, Service Loaners and People Shuttles. Service vehicles may be eligible for incentive program benefits (**see section 1.7**)
- Any vehicle that has been registered.
- Any vehicle disposed of by the Dealer's finance source.

1.6 INELIGIBLE VEHICLES FOR RETAIL INCENTIVE PROGRAMS

- Units transferred from one Dealership to another for the purpose of resale or lease (as a new vehicle), are not eligible for incentives for the transferring Dealer.
- Units transferred to a Dealer-owned leasing company are not eligible as sales for the transferring Dealer unless a bona fide lessee End User has been established, the vehicle is licensed and registered accordingly, and is put in service immediately for a minimum of twelve months.
- New units transferred to the Dealer (i.e. used vehicle department) and paid out at the finance source are not eligible as sales for the transferring Dealer unless a bona fide End User has been established, the vehicle is licensed and registered, and is put in service immediately for a minimum of twelve months.
- Units receiving Government Price Concession/Competitive Price Allowance or corporate repurchase vehicles.
- Units receiving the Commercial Fleet incentive.
- All vehicles purchased from a source other than Ford of Canada or its franchised Dealers. An exception is any new, unused, converter-finished vehicle, either reassigned to a Ford of Canada Dealer from an authorized conversion pool account, or purchased by such Dealer from any converter, and subsequently sold/leased and physically delivered directly by the Dealer to an eligible End User for a minimum 12 month term. Such vehicles are eligible, and include authorized conversion pool account demonstrators and vehicles previously sold by Ford Dealers to converters.
- Vehicles that have, at any time, been transferred to and/or sold to a reseller, no matter how the vehicle was subsequently acquired by the selling/claiming Dealer.
- Vehicles sold or leased to Ford of Canada or any of its subsidiaries or affiliates, except pursuant to Red Carpet Leases that are registered to Ford Credit Canada Leasing Company.
- Vehicles sold or leased to competitive automotive manufacturers, or their subsidiaries and affiliates.
- Vehicles sold where the first use is resale, such as where the buyer is a Dealer, a broker, a used vehicle Dealer, a converter or any other reseller. An exception, however, is any vehicle sold where the first use is a conversion into a finished product which predominately will be distributed to retail final users by specialized, non-Ford of Canada channels through authorized secondary installers. Such

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vehicles include, but are not limited to, motor homes and stretch limousines but exclude buses. Such vehicles will be eligible for customer cash incentives only. For mobility-adaptive conversions, where the End User is physically challenged, the Mobility Plus incentive may be paid only to the End User.

- Used units of any make or model year except as specified in the program announcement bulletin.
- Units damaged by flood, storm, fire or by acts of God and units lost by theft which are either non-saleable as new vehicles to End Users or which are repurchased by an insurance company.
- Those vehicles sold by Ford of Canada with no direct Dealer involvement, and subsequently allocated to Dealers for purposes of receiving commissions.
- Damaged units sold at auction.
- All units sold by other than a Ford of Canada Dealer.
- All units sold for use outside of Canada.
- Vehicles that may from time to time be specifically excluded at the discretion of Ford Motor Company of Canada, Limited.

5.0 SECTION #5: A/X/Z/D/F-PLAN PROGRAMS

5.1 A/Z-PLAN VEHICLE PURCHASE PLAN PROGRAMS

Under the A-Plan and Z-Plan programs, Ford of Canada offers special vehicle pricing on Ford and/or Lincoln vehicles that are sold or leased to eligible Ford of Canada employees (A-Plan), eligible retirees and surviving spouses (Z-Plan), and their immediate family members. A-Plan and Z-Plan program benefits are also extended to selected Ford of Canada distributors.

5.1.1 Eligible Dealers

- **See Section 1.1 “Eligible Dealers”**
- Only franchised Ford of Canada Dealers are authorized to sell vehicles under these vehicle purchase plans.

5.1.2 A/Z-Plan Vehicle Pricing

- Under the A/Z-Plan programs, Dealers must sell the vehicle at the A-Plan price (minus any applicable incentives). The A-Plan price is shown in the box labeled “A Plan” located on the vehicle invoice.
- A-Plan Price is calculated as follows: Invoiced factory wholesale price of vehicles and production-installed equipment;
- Minus any amount directly refundable to the Dealer by Ford of Canada (including Dealer “Holdback” and the Wholesale Assistance Program (WAP) charge.
- Plus the WAP charge when a vehicle is purchased from Dealer stock.
- Plus the destination and delivery charge as noted on the invoice.
- Plus the Ford of Canada Administration Fee.

A-Plan Purchase Price is calculated as follows:

- A-Plan price (as calculated above)

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- Minus price protection rebate (where applicable)
- Plus any announced price increases for vehicles purchased from Dealer stock
- Minus any applicable incentives (A/X/Z/D/F-Plan Cash, A/X/Z/D/F-Plan Factory Cash)
- Plus any Dealer installed optional equipment, taxes, registration and license fees
- Preparation and conditioning charges may not be added to the A/Z-Plan price.
- Additional charges such as special cleaning, waxing, polishing, undercoating, window etching or Dealer installed accessories or options are not included in the Plan price.
- Trade-in allowances are not included in the Plan price.
- Dealers must provide the purchaser the posted Annual Percentage Rate (APR) to A and Z-Plan End Users.

5.1.3 Dealer Commission

- Providing the Dealer agrees to sell Ford and/or Lincoln vehicles to eligible participants at prices prescribed by the Company, and all conditions of the Purchase Plan are met, Ford of Canada will pay the Dealer a commission.
- Any contravention of the terms and conditions of the Plan(s) by the Dealership in any transaction may result in a chargeback by Ford of Canada of the total commission paid by Ford of Canada on such transactions and/or suspension of the Dealer's participation privileges in the programs.
- Participating Dealers will receive a 6% Dealer Commission for each eligible vehicle sold under this program.
- The 6% commission is based on the A-Plan price on the vehicle invoice, less the \$250 Ford Administration Fee. Example follows:

A-Plan Price	\$24,870.30
(Less Admin Fee)	(\$250)
Commission Base	<u>\$24,620.30</u>
Commission	$\$24620.30 \times 0.06 = \$1,477.22$
(Less Admin Fee)	$\$1,477.22 - \$190 = \$1,287.22$
Amount Paid to Dealer	$= \$1,287.22$ (A)

(A) When the Dealer charges the End User the A-Plan price, they collect the \$250 Ford administration fee. In return, Ford collects their portion of the administration fee from the Dealer by reducing the commission by \$190. By deducting only \$190 (instead of the full \$250 administration fee) the Dealer retains \$60 to offset the cost of the Full Tank of Gas.

Example using Price Pages

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5.1.4 Eligible End Users

The following End Users are eligible:

- All active full-time hourly employees and regular salaried employees of Ford of Canada are eligible beginning with their date of hire.
- All Ford of Canada hourly retirees receiving normal, early (regular or special) or disability retirement benefit, as long as any medical benefits are being received.
- Salaried retirees who retired under a Ford of Canada pension plan and who are eligible to receive medical benefits, including salaried employees who terminate between the ages of 50 to 55, and who are eligible to receive certain deferred retirement benefits, are eligible while they are receiving benefits.
- Surviving spouses of Ford of Canada employees who died while actively employed who are eligible to receive pension or medical benefits and surviving spouses of retirees who retired under the Pension Plan, or who are receiving benefits.
- Members of the immediate family of the above. Immediate family includes the employee's or retiree's spouse, parents, spouse's parents, sons, daughters, and grandchildren (including in-laws and step-children), brothers and sisters (including in-laws, half and step brothers and sisters). When both the employee/retiree and his/her spouse are deceased, other family members are no longer eligible.
- An employee on layoff or on approved leave of absence may participate during the first twelve months of the layoff or leave of absence. Employees of an approved union leave of absence may participate during the duration of such leave.
- Vehicles must be registered in the name of the eligible End User for a minimum of six months from the date of purchase.
- Vehicles may not be registered in the name of a business.

5.1.5 Eligible Vehicles

- New Current Model-Year Ford and/or Lincoln cars & light trucks as announced in applicable Marketing Bulletins (MBG) or Contest & Incentive Bulletins (CIB).
- New Prior Model-Year Ford and/or Lincoln cars & light trucks as announced, only until Final Settlement is paid.
- Dealer installed accessories and optional equipment are not eligible for A/Z-Plan pricing.
- **See Section 1.5 and 1.6, "General Rules of Eligibility".**

5.1.6 Ineligible Vehicles

- Used vehicles, including
 - Service Loaners
 - People Shuttles
 - Dealer Demonstrators
 - Driver Training Vehicles
 - Vehicles obtained from auction
- Off-lease vehicles

5.1.7 Eligible Sales

- **See Section 1.2, "General Rules of Eligibility".**
- For A/Z-Plan End Users that wish to lease their vehicle, only Red Carpet Lease contracts are eligible.
- Leases through banks, Dealer owned leasing companies or independently owned leasing companies are not eligible.

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5.1.8 Processing an A/Z-Plan Purchase Agreement & Claiming Procedures

- For complete instructions on processing an A/Z-Plan Purchase Agreement, refer to Dealer Policies & Procedures Policy #36 "Sales of New and Used Company Vehicles by Dealers to Eligible Employees and Retirees, Sale of New Vehicles to X-Plan Purchasers".
 - Claims may be processed in VINCENT.
- **Dealers are required to complete and maintain a completed Form 8401A in the deal jacket. This is a mandatory requirement for audit purposes. This Form is included in Appendix 6.**

5.2 X-PLAN VEHICLE PURCHASE PLAN PROGRAMS

Under the X-Plan programs (X-Plan Partner Recognition, X-Plan Friends & Neighbours, Fleet X-Plan), Ford of Canada offers special vehicle pricing on Ford and/or Lincoln vehicles that are sold or leased to:

- Employees of eligible Ford of Canada supplier companies (X-Plan Partner Recognition)
- Friends & neighbours of Ford of Canada employees
- Selected Fleet customers
- See **Eligible End Users section 5.2.4** for complete details on End User eligibility.

5.2.1 Eligible Dealers

- **See Section 1.1** "Eligible Dealers"
- Only authorized Ford of Canada Dealers are eligible to sell vehicles under these vehicle purchase plans.

5.2.2 X-Plan Vehicle Pricing

- Under the X-Plan programs, Dealers must sell the vehicle at the A-Plan price plus 4% (minus any applicable incentives). The A-Plan price is shown in the box labeled "A Plan" on the vehicle invoice.

A-Plan Price is calculated as follows:

- Invoiced factory wholesale price of vehicles and production-installed equipment;
- Minus any amount directly refundable to the Dealer by Ford of Canada (including Dealership "Holdback" and the Wholesale Assistance Program (WAP) charge.
- Plus the WAP charge when a vehicle is purchased from Dealer stock
- Plus the destination and delivery charge as noted on the invoice
- Plus the Company Administration Fee.

X-Plan Purchase Price is calculated as follows:

- A-Plan price (as calculated above)
- Minus price protection rebate (where applicable)
- Plus any announced price increases for vehicles purchased from Dealer stock
- Multiplied by 1.04
- Minus any applicable incentives (A/X/Z-Plan Cash, A/X/Z-Plan Factory Cash)
- Plus any Dealer installed optional equipment, taxes, registration and license fees
- Preparation and conditioning charges may not be added to the X-Plan price.

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- Additional charges such as special cleaning, waxing, polishing, undercoating, window etching or Dealer installed accessories or options are not included in the Plan price.
- Trade-in allowances are not included in the Plan price.
- Dealers must provide the purchaser the posted Annual Percentage Rate (APR) to X-Plan End Users.
- Dealers will not be paid a finance reserve on X-Plan leases.

5.2.3 Dealer Commission

- Providing the Dealer agrees to sell Ford and/or Lincoln vehicles to eligible participants at prices prescribed by Ford of Canada, and all conditions of the Purchase Plan are met, Ford of Canada will pay the Dealer a commission.
- Any contravention of the terms and conditions of the Plan(s) by the Dealer in any transaction may result in a charge-back by Ford of Canada of the total commission paid on such transactions and/or suspension of the Dealer's participation privileges in the programs.
- Participating Dealers will receive a 2% Dealer Commission for each eligible vehicle sold under X-Plan programs.

The 2% commission is based on the A-Plan price located on the vehicle invoice, less the \$250 Ford Administration Fee. Example follows:

A-Plan Price	\$24,870.30
(Less Admin Fee)	(\$250)
Commission Base	<hr/> \$24,620.30
Commission	$\$24,620.30 \times 0.02 = \492.41
(Less Admin Fee)	$\$492.41 - \$190 = \$302.41$
Amount Paid to Dealer	$= \$302.41$ (A)

(A) When the Dealer charges the End User the X-Plan price, it collects the \$250 Ford administration fee. In return, Ford collects their portion of the administration fee from the Dealer by reducing the commission by \$190. By deducting only \$190 (instead of the full \$250 administration fee) the Dealer retains \$60 to offset the cost of the Full Tank of Gas.

5.2.4 Eligible End Users

The following End Users are eligible:

X-Plan Supplier Partner Recognition Program

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- Active employees, retirees and their spouses (no other family members are eligible) at Canadian locations of selected Ford Motor Company and Ford of Canada suppliers are eligible for the X-Plan. Eligible supplier companies are listed on the Dealer website (FMCdealer.com).
- Vehicles may not be registered in the name of a business.

X-Plan Fleet Account Employee Appreciation Program

- Available to all employees of Ford of Canada's selected fleet accounts that continue to use Ford vehicles as their vehicles of choice for fleet needs.
- Vehicles may not be registered in the name of a business.

X-Plan Friends & Neighbours Program

- Any individual sponsored by a Ford of Canada Hourly or Salaried employee or retiree. Vehicles must be registered in the name of the eligible End User for a minimum of six months from the date of purchase.
- Vehicles may not be registered in the name of a business.

5.2.5 Eligible Vehicles

- New Current Model-Year Ford and Lincoln cars & light trucks as announced.
- New Prior Model-Year Ford and Lincoln cars & light trucks as announced only until Final Settlement is paid. Dealer installed accessories and optional equipment are not eligible for X-Plan pricing.
-
- **See Section 1.5 and 1.6, "General Rules of Eligibility".**

5.2.6 Ineligible Vehicles

- Used vehicles, including
 - Service Loaners
 - People Shuttles
 - Dealer Demonstrators
 - Driver Training Vehicles
 - Vehicles obtained from auction
- Off-lease vehicles

5.2.7 Eligible Sales

- **See Section 1.2, "General Rules of Eligibility".**
- For X-Plan End Users that wish to lease their vehicle, only Red Carpet Lease contracts are eligible.
- Leases through banks, Dealer owned leasing companies or independently owned leasing companies are not eligible.

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5.2.8 Processing an X-Plan Purchase Agreement & Claiming Procedures

- For complete instructions on processing an X-Plan Purchase Agreement, refer to Dealer Policies & Procedures Policy #36 "Sales of New and Used Company Vehicles by Dealers to Eligible Employees and Retirees, Sale of New Vehicles to X-Plan Purchasers".
- Claims may be processed in VINCENT under:
 - X-Plan Supplier Recognition Program
 - X-Plan Fleet Account Employee Program
 - X-Plan Friends & Neighbours Program

- | |
|--|
| <ul style="list-style-type: none">• Dealers are required to complete and maintain a completed Form 8401A in the deal jacket. This is a mandatory requirement for audit purposes. This Form is included in Appendix 6. |
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5.3 D/F-PLAN VEHICLE PURCHASE PLAN PROGRAMS

The D/F Plan program is a vehicle purchase plan that is available to all eligible Ford of Canada Dealer employees who are currently employed by a Ford of Canada Dealer (D-Plan) and their eligible family members (F-Plan).

See Eligible **End Users** **section 5.3.4** for complete details on End User eligibility.

5.3.1 Eligible Dealers

- **See Section 1.1** “Eligible Dealers”
- Dealers must have a D-Plan coordinator registered in STARS to be eligible.
- See Dealer Responsibility **Section 5.3.9**

5.3.2 D/F-Plan Vehicle Pricing

- Under the D-Plan program, Dealers may not sell a vehicle for more or less than the A-Plan price (minus any applicable incentives). Under the F-Plan program, Dealers must sell the vehicle at the A-Plan price plus 2% (minus any applicable incentives). The A-Plan price is shown in the box labeled “A Plan” on the vehicle invoice.

A-Plan Price is calculated as follows:

Invoiced factory wholesale price of vehicles and production-installed equipment

- Minus any amount directly refundable to the Dealer by Ford of Canada (including Dealer “Holdback” and the Wholesale Assistance Program (WAP) charge.
- Plus the WAP charge when a vehicle is purchased from Dealer stock
- Plus the destination and delivery charge as noted on the invoice
- Plus the Company Administration Fee.

D-Plan Purchase Price is calculated as follows:

- A-Plan price (as calculated above)
- Minus price protection rebate (where applicable)
- Plus any announced price increases for vehicles purchased from Dealer stock
- Minus any applicable incentives
- Plus any Dealer installed optional equipment, taxes, registration and license fees

F-Plan Purchase Price is calculated as follows:

- A-Plan price (as calculated above)
- Minus price protection rebate (where applicable)
- Plus any announced price increases for vehicles purchased from Dealer stock
- Multiplied by 1.02
- Minus any applicable incentives
- Plus any Dealer installed optional equipment, taxes, registration and license fees

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- Preparation and conditioning charges may not be added to the D/F-Plan price.
- Additional charges such as special cleaning, waxing, polishing, undercoating, window etching or Dealer installed accessories or options are not included in the Plan price.
- Trade-in allowances are not included in the Plan price.
- Dealers must provide the purchaser the posted Annual Percentage Rate (APR) to D and F-Plan End Users.
- Dealers will not be paid a finance reserve on D and F-Plan leases.

5.3.3 Dealer Commission

- Providing the Dealer agrees to sell Ford and/or Lincoln vehicles to eligible participants at prices prescribed by Ford of Canada, and all conditions of the Purchase Plan are met, Ford of Canada will pay the Dealer a commission.
- Any contravention of the terms and conditions of the Plan(s) by the Dealer in any transaction may result in a charge-back by Ford of Canada of the total commission paid by Ford of Canada on such transactions and/or suspension of the Dealer's participation privileges in the programs.
- Participating Dealers will receive a 2% Dealer Commission for each eligible vehicle sold under D/F-Plan programs.
- The 2% commission is based on the A-Plan price on the vehicle invoice, less the \$190 Ford Administration Fee. Please refer to X-Plan calculation in section 5.2.3)

5.3.4 Eligible End Users

The following End Users are eligible:

- Current Ford of Canada Dealer Employees (Eligible for D-Plan)
 - Dealer employees must have a minimum of six months continuous employment at an eligible Ford of Canada Dealer.
 - Dealer employees must be registered in STARS to be eligible.
- Family Members of an eligible Ford of Canada Dealer Employee (Eligible for F-Plan)
 - Family members of eligible Dealer employees are eligible for the F-Plan
 - Eligible family members include: spouse, parents, spouse's parents, sons & daughters (including in-law and step), brothers & sisters (including in-law, half and step brothers & sisters), and grandchildren.
 - Documentation that proves relationship is required (birth certificates, marriage licenses or adoption records).
- Vehicles must be registered in the name of the eligible End User for a minimum of six months from the date of purchase.
- Vehicles may not be registered in the name of a business.
- Eligible Dealer employees may purchase or lease (under the Red Carpet Lease Plan only) one (1) eligible vehicle per calendar year under the D-Plan program. The vehicle must be registered to the employee.
- The vehicle must be purchased or leased from the Dealer where the employee is employed unless the Dealer is not franchised to sell that vehicle.
- Eligible Dealer employees may request up to three (3) eligible vehicles per calendar year for their family members to purchase or lease (under the Red Carpet Lease Plan) under the F-Plan program. The vehicle must be registered to the claiming family member of the employee.
- The sponsoring employee must call 1-800-828-7746, to receive a unique PIN for his/her eligible family member. PINs will be valid for 12 months from the time of issuance.
- Although it is preferred that the family members purchase or lease the vehicle from the Dealer where the employee is employed, if this is not practical, eligible family members may purchase or lease their vehicle from any other participating Ford of Canada Dealer.

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5.3.5 Eligible Vehicles

- New Current Model-Year Ford and/or Lincoln cars & light trucks as announced in Marketing Bulletins (MBG) or Contest & Incentive Bulletins (CIB).
- New Prior Model-Year Ford and/or Lincoln cars & light trucks as announced in applicable Marketing Bulletins, only until Final Settlement is paid.
- Dealer installed accessories and optional equipment are not eligible for D/F-Plan pricing.
- **See Section 1.5 and 1.6, “General Rules of Eligibility”.**

5.3.6 Ineligible Vehicles

- Used vehicles, including
 - Service Loaners
 - People Shuttles
 - Dealer Demonstrators
 - Driver Training Vehicles
 - Vehicles obtained from auction
 - Off-lease vehicles
 - Cap units

5.3.7 Eligible Sales

- **See Section 1.2, “General Rules of Eligibility”.**
- For D/F-Plan End Users that wish to lease their vehicle, only Red Carpet Lease contracts are eligible.
- Leases through banks, Dealer owned leasing companies or independently owned leasing companies are not eligible.

5.3.8 Processing an D/F-Plan Purchase Agreement & Claiming Procedures D-Plan Claims

- Employee negotiates trade-in allowance (if applicable), and completes the buyer’s agreement.
- D Plan Coordinator completes the D/F Plan Eligibility Checklist (see attached) to verify eligibility.
- Report the vehicle sold in CONCEPS:
 - If the vehicle has been purchased, report under sale type “K”
 - If the vehicle has been leased under Red Carpet Lease, report under sale type “O” (letter 'O')
- Manually claim for the Dealer commission in VINCENT.
- You will be required to enter the employee’s SIN number.

F-Plan Claims

- F Plan Coordinator receives email and completes the D/F Plan Eligibility Checklist (attached) to verify eligibility.
- Family member negotiates trade-in allowance (if applicable), and completes the buyer’s agreement.
- PIN Validation & Lock In
 - Obtain participant's PIN and last 4 of their SIN
 - Access the CONCEPS System
 - Select Option 4 - Vehicle Sales Menu
 - Select Option 2 – Automated A/X/Z Plan Menu
 - Select Option 1 – Plan Eligibility and Lock In
 - Enter Plan Type (F Plan is treated like an X Plan), PIN, last 4 of SIN and indicate whether buyer's agreement has been signed (press enter)
 - If valid, the system will provide End User name and Program name

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- Report the vehicle sold in CONCEPTS:
 - If the vehicle has been purchased, report under sale type “K”
 - If the vehicle has been leased under Red Carpet Lease, report under sale type “O” (letter 'O')
 - Manually claim for the Dealer commission in VINCENT.
 - You will be required to enter the last four digits of the PIN holder’s SIN number.
- **Dealers are required to complete and maintain a completed Form 8401A in the deal jacket. This is a mandatory requirement for audit purposes. This Form is included in Appendix 6.**

5.3.8 Dealer Responsibility

- Dealer Principal will be required to sign the “D/F Plan Eligibility Checklist” for all F Plan deliveries.
- D/F Plan deliveries will be subject to audit. This audit process will be integrated into the overall C&I audit process.
- Dealers are required to keep all documentation, including a copy of the “D/F Plan Eligibility Checklist” and proof of relationship records (for F Plan deliveries) in the customer deal jacket, or designated filing system, for audit purposes.
- Dealer must be able to verify employee/sponsor's employment at time of PIN generation (i.e. payroll records, pay stub, etc.).
- Documentation and records must be kept by the Dealer for a minimum of two years, including journals and ledgers that relate in any way, to the covered transactions.
- Any abuse identified will be subject to any or all of the following:
 - Commission chargebacks
 - D/F Plan privilege suspensions
 - Disqualification from the President's award

Additional disciplinary action as deemed appropriate by Ford Motor Company of Canada, Limited