Ford Ad Standards Program Overview

INTRODUCTION

The Ford Ad Standards Program is a voluntary advertising compliance program designed to build and grow the Ford Brand. Active Ford dealers will be paid funds on a monthly basis to comply with the Ad Standards Guidelines.

Note: Ford Motor Company reserves the right to revoke or amend the Ford Ad Standards Program, at any time, without prior written notice.

AD STANDARDS

Rules & Eligibility

All active Ford dealers will be automatically enrolled in the "Ad Standards" performance-based program. To be eligible to receive payment of Ad Standards funds, all Ford dealers must ensure all advertising adheres to the Ad Standards Program Guidelines.

The Ad Standards compliance requirements apply to <u>all Ford brand vehicles</u> (excluding Mach-E, Lightning, and E-Transit), and <u>all media types</u> including, but not limited to, broadcast, digital advertising, search engine marketing, dealer websites, direct mail, e-mail, social, SMS marketing, etc.

Failure to comply with the Ad Standards Program Guidelines will result in a suspension of payment of the dealer's accrued 1% Ad Standards funds.

Note: There will be no pre-approval process for the review of dealer advertising, specific to Ad Standards. Ford dealers seeking consultation may use the Ford Co-op pre-approval service but should note that the Ford Co-op Program Guidelines are more restrictive than those for Ad Standards.

Program Guidelines

1AS

Incorrect Stacking of Multiple Conditional Offers

Stacking multiple conditional offers in a general advertisement is prohibited. All stackable rebates not available to the general public (e.g., first-time buyer, military) must be disclosed clearly, conspicuously and legibly next to the vehicle price in the body of the ad.

Incorrect Inclusion of Ford Credit Bonus Cash

Only where state law allows, Ford Credit Bonus Cash may be included in the advertised price, payment, or offer.

Incorrect Inclusion of Purchase Program

Only where state law allows, one purchase program related to a customer's ownership status (i.e. owner loyalty, conquest, trade assistance) can be included in the advertised price, payment, or offer if it is clearly noted in the body of the ad.

Incorrect AZ Plan Advertising

AZ-Plan Pricing and programs can only be used in states where A/Z Plan sales exceed 20% of total sales – currently only Michigan, Ohio, and Kentucky (subject to annual review). These states are also the only places where Lease Renewal incentives are permitted to be built into the advertised price, payment, or offer.

2AS

Missing Customer Charges

The advertised price, payment or offer must include all customer charges (including Destination and Delivery charges) except state and local taxes, tags, title and registration.

Unclear Fees/Amounts

All dealer fees and amounts must be disclosed clearly, conspicuously and legibly in the body of the ad or in the disclaimer.

3AS

Preferential Standing Advertising

Words and phrases suggesting that a Dealer has received special inventory or pricing from Ford or the Region/Distributor, or an exclusive Factory, Regional or Distributor benefit are prohibited. Dealer advertising must not include any of the following words and phrases or any words and phrases with similar meanings unless Ford has authorized the usage in a dealer communication:

"factory authorized"	"outlet/warehouse"	"pricing so low, it's like buying from the factory"
"factory challenged"	"warehouse store"	"Buy-back"
"authorized distribution center"	"warehouse price"	"program headquarters"

"public notice"	"special purchase"	"bailout"
"public sale"	"special pricing"	"we will not be undersold"
"discount/wholesale center"	"supplier/employee pricing for everyone"	"you qualify for a new test-marketing program"

Monitoring & Enforcement

Program Headquarters will regularly monitor dealer advertising across a variety of media to ensure compliance with the Ad Standards Program Guidelines. If an infraction is identified, the dealer will be notified and expected to update and correct the advertising to comply with the guidelines. Dealers who receive multiple infraction notifications, within a rolling six-month period, will be suspended from receiving future Ad Standards funds.

In the case of non-compliant advertising, the dealer will receive an annotated ad along with a letter specifying the guidelines that have not been followed and any penalty for non-compliance. Upon receipt of the non-compliant notification letter, the dealer should immediately take steps to ensure that all future advertising complies with the Ad Standards Program Guidelines.

Three infraction notifications, within a rolling six-months, will result in the dealership not receiving its next scheduled Ad Standards payment.

During the one-month timeframe, this is considered a probationary period, where the dealer demonstrates their ability to adhere to the Ad Standards Program Guidelines, for the duration of the suspension.

While on suspension, the dealer's Ad Standards strike count will be reset to zero to start the new, rolling six-month period, with a 'clean slate'. Any additional strikes incurred during the suspension period will be included in the new, rolling six-month period. For additional detail on Ad Standards Strikes & Suspensions, please reference the examples, below.

Ads with Ford Brand Vehicle Content / Offers, Only

Example #1

- Ad Content: Ad Contains Ford Brand Vehicle Content / Offers, Only
- Ad Compliance: Ad Standards Infraction(s) Found; Ad Marked Non-Compliant
- Letter Type: Ad Standards Infraction Notification #1
- **Penalty**: Ad Standards Strike #1

Example #2

- Ad Content: Ad Contains Ford Brand Vehicle Content / Offers, Only
- Ad Compliance: Ad Standards Infraction(s) Found; Ad Marked Non-Compliant
- Letter Type: Ad Standards Infraction Notification #2
- Penalty: Ad Standards Strike #2

Example #3

- Ad Content: Ad Contains Ford Brand Vehicle Content / Offers, Only
- Ad Compliance: Ad Standards Infraction(s) Found; Ad Marked Non-Compliant
- Letter Type: Ad Standards Infraction Notification #3
- Penalty: Ad Standards Strike #3; One-Month Penalty Period Incurred

Ads with Ford Brand Vehicle and Mustang Mach-E Content / Offers

Example #1

- Ad Content: Ad Contains Ford Brand Vehicle and Mustang Mach-E Content / Offers
- Ad Compliance: Ad Standards Infraction(s) Found; Ad Marked Non-Compliant
- Letter Type: Ad Standards Infraction Notification #1
- Penalty: Ad Standards Strike #1

Example #2

- Ad Content: Ad Contains Ford Brand Vehicle and Mustang Mach-E Content / Offers
- Ad Compliance: Ad Standards Infraction(s) and Ad Covenant Infraction (1AC) Found; Ad Marked Non-Compliant
- Letter Type: Ad Standards Infraction Notification #2 and Ad Covenant Infraction Notification #1
- Penalty: Ad Standards Strike #2 and Ad Covenant Strike #1

Funding & Payment

Funds generated by the Ad Standards Program (1% of MSRP, less D&D) will be paid to dealers on a <u>monthly</u> basis. Payments will be made to the dealer's VINCENT Payment Statement. For additional payment details, please refer to the 2022 VINCENT Payment Schedule, below.

Gate Release Month	Eligibility Month	VINCENT Payment Date		
January	February	March	3/22/2022	
February	March	April	4/19/2022	
March	April	May	5/24/2022	
April	May	June	6/21/2022	
Мау	June	July	7/19/2022	
June	July	August	8/23/2022	
July	August	September	9/20/2022	
August	September	October	10/25/2022	
September	October	November	11/22/2022	
October	November	December 12/2		
November	December	January	1/24/2023	
December	January	February	2/21/2023	

Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug
Gate Release	Not Suspended	Dealer Paid for Jan vehicles on VINCENT statement					
	Gate Release	Not Suspended	Dealer Paid for Feb vehicles on VINCENT statement				
		Gate Release	Suspended	Dealer <u>NOT</u> paid for vehicles gate released in Mar			
			Gate Release	Not Suspended	Dealer Paid for Apr vehicles on VINCENT statement		
				Gate Release	Suspended	Dealer <u>NOT</u> paid for vehicles gate released in May	

					Gate Release	Not Suspended	Dealer Paid for Jun vehicles on VINCENT statement
--	--	--	--	--	-----------------	------------------	---

Program Support

Program Website

A Program Website is available to access real-time information on Ford Ad Standards Program activity. Dealers will have convenient access to this website via FMCDealer. All active Ford dealers will have access to copies of monitored ads and reporting, summarizing monitored advertising, via the Program Website. The site also provides easy access to the Ad Standards and Ad Covenant Program Guidelines.

Non-Compliant Ad Submissions

Program Headquarters reviews randomly selected ads from every active Ford dealer on an ongoing basis to ensure compliance with Program Guidelines. It is reasonable to expect that some non-compliant advertising by dealers will occur. It is also reasonable to assume that dealers who adhere to the program guidelines may wish to submit non-compliant advertising by their fellow, competitive dealers.

Dealers wishing to submit what they believe to be non-compliant ads are instructed to provide the advertisement directly to Program Headquarters. Do not provide the non-compliant ad to any Ford Motor Company personnel.

- Step 1: Fill out the Non-Compliant Ad Submissions Form available on the Program Website
- Step 2: Attach the original copy of the Non-Compliant advertisement and any required supporting documents
- Step 3: Review and submit the Non-Compliant Ad Submissions Form

Note: Unsolicited submissions of non-compliant advertising will be treated confidentially; the submitting dealer will not be informed of any action taken based on the submitted advertisement.

Online Appeal Submissions

An appeal process is provided for dealers who believe they have received a "notification letter" in error due to, either a monitoring error by Program Headquarters or a publication error that occurred in the printing process, that could have not been foreseen and corrected by the dealer or their agency, prior to publication. Dealers should resolve any additional issues directly with their ad agency and refrain from submitting to Program Headquarters for appeal.

Appeals must be received by Program Headquarters within 30 calendar days after the date of a "notification", to be considered. Any payments not made for notifications being contested by a dealer will remain unpaid until Program Headquarters has ruled on the appeal.

- Step 1: Fill out the Appeal Form (in detail) available on the Program Website
- Step 2: Attach a copy of the "notification", as well as the annotated ad and any supporting documents
- Step 3: Review and submit the Appeal Form

Program Headquarters

If you have any questions concerning the Ford Ad Standards Program Overview and/or Program Guidelines, please feel free to contact Program Headquarters for additional support...**Monday through Friday, from 8:30 a.m. to 5:30 p.m. CT.**

- Phone: (866) 803-0172
- Email: <u>fas@Ansira.com</u>