



## 2020 Program Year

Competitive Price Allowance Program Terms and Conditions

**PRIVATE & CONFIDENTIAL**

**Prepared For:**

Automotive Parts Services Group  
508 Greenville Ave  
Staunton, VA 24401

**Fleet Identification Number (FIN)**  
BN138

07/18/2019

**Ford Motor Company Fleet Contact:**  
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North American Fleet, Lease and  
Remarketing Operations

Ford Motor Company  
Dan O'Connor  
National Account Manager  
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Richmond, VA 23225

07/18/2019

Automotive Parts Services Group  
508 Greenville Ave  
Staunton, VA 24401

Ford Motor Company (Ford) is pleased to confirm the special Competitive Price Allowance (CPA) offered to Automotive Parts Services Group and your listed subsidiaries for the 2019-2020 Program Year. Ford's program is offered to meet competitive offers and promote the selection of Ford Motor Company products. Contents of this letter and attachments are considered confidential to Automotive Parts Services Group and Ford, and together, constitute your CPA Agreement.

Ford's current model year pricing has been finalized on most vehicle lines. However, on those vehicle lines for which pricing has not been finalized, any amounts indicated are estimates based on the 2019 model year and should not be assumed in final pricing. Once the 2020 model year pricing is approved for these vehicle lines, dealers and fleet management companies will be advised promptly.

The incentives offered in this CPA Agreement supersede any incentive offering or combination of incentive offerings provided by Ford.

According to survey results, the Ford Fleet team is #1 in commercial fleet customer satisfaction and we are determined to stay there. We are committed to delivering products that fulfill the needs of your drivers. We will listen to your needs and work with you to continuously improve our service. The Ford Customer Information Center and our website can provide you with a variety of essential information on 1-800-34-FLEET, or at [www.fleet.ford.com](http://www.fleet.ford.com).

We have implemented a number of actions in recent years to ensure competitive whole life costs. They include:

- A focus on quality
- Technological advances to improve fuel economy, vehicle performance and safety
- Providing products with high residual values
- Exciting products at competitive prices
- Roadside assistance for drivers during powertrain warranty at 1-800-241-FORD \*

\* Please refer to the vehicle's Owners Guide for details.

We look forward to developing our working relationship with you and thank you for the opportunity to be your fleet company of choice.

Regards,

Dan O'Connor  
National Account Manager

Attachment – CPA Terms and Conditions/Summary and Acceptance  
Attachment – Dealer Ordering & Out-Of-Stock Instructions  
Attachment – 2019 Program Year Definition

Automotive Parts Services Group / BN138 2020-2

07/18/2019

# Automotive Parts Services Group

## 2020 Program Year – Terms and Conditions

Allowances will only be paid on eligible vehicles purchased or leased by your company for use in your operation. Please ensure that your Ford Fleet Identification Number (FIN), **BN138** (or your subsidiary's FIN) and option code **56A** are placed on all orders for your fleet.

### Subsidiaries

The following subsidiaries are included in the CPA program and all sales and payments to these SUB FINs will count toward this CPA program as eligibility rules allow.

SUB-FIN	Account Name	City/State
<b>BO331</b>	Pronto Auto Parts	Grapevine, TX
██████	Federated Auto Parts	Staunton, VA
██████	Fisher Auto Parts Inc	Staunton, VA

### CPA Total Unit Volume and Incentives per Program Year

Eligible Vehicle Lines	Body(**)	Model	1 + (*)
Fusion (Excl Hybrid and Energi)	ALL	2020	\$2600
Fusion Hybrid	HYB	2020	\$3600
Commercial Stripped Chassis	F5K	2020	\$300
EcoSport	ALL	2020	\$3000
Escape (Excl Hybrid/PHEV)	ALL	2020	\$1800
Escape Hybrid	HYB	2020	\$1500
Escape S 4WD	U9F	2020	\$1500
Escape S FWD	U0F	2020	\$1500
Expedition	ALL	2020	\$4300
Explorer (Excl Pol Int)	ALL	2020	\$1000
F-Series Super Duty F250-F550	ALL	2020	\$4300
F150 (Excl Raptor)	ALL	2020	\$5000
F150 4X2 Reg Cab	F1C	2020	\$4500
Transit (Excl AWD)	ALL	2020	\$5000
Transit AWD	AWD	2020	\$3500
Transit Connect	ALL	2020	\$2800

\* Amount will be deducted off the factory invoice for applicable first tier volume incentives.

\*\* CPA offerings are subject to vehicle line or body style exclusion (unless specifically stated in your per units incentive grid) including but not limited to Police Interceptors, Mustang Shelby and other special series Mustang offerings, F150 Raptor and F550 Stripped Chassis.

Incentive levels set forth herein for 2020 model year vehicles will apply to all orders for early 2021 MY vehicles that are placed before 06/30/2020, where the incentive levels for the 2021 model year vehicles remain unchanged from 2020 incentives. After Ford determines 2021 incentive levels, Ford will notify Customer of 2021 model year vehicle lines where the incentive remains unchanged from the previous model year.

Notwithstanding anything to the contrary herein, Ford reserves the right to make any adjustments necessary should the dealer invoice price of a comparably equipped vehicle be reduced at any time during this CPA Agreement. (The net effect of this action will be price acquisition neutral.)

Purchase volume reverts to zero at the beginning of each program year. CPA program incentives offered cannot be combined with any other incentives.

## Payment

**Off-Invoice** – Once a CPA offer is established in the Ford system, the first tier CPA incentive amount will be shown as a credit on the initial dealer invoice. In the event this credit is missing, payment will be made directly to you (or your subsidiary's FIN) or your assignee once the unit is reported sold.

**Tier One Assignment** – If a vehicle is purchased without a CPA off-invoice credit (i.e. out of stock), the applicable first tier incentive amount of this CPA will be paid by Ford directly to the selling dealer via the Dealer Parts Statement at the end of each month. Any other CPA payments will be paid directly to you (or your subsidiary's FIN) or your assignee.

## Price Protection

Eligible 2020 program year orders will be price protected to the model year **introductory** price levels. The difference in subject price will be refunded to you, or at your option, your designated assignee or selling dealer. Please note: price increases resulting from the addition of new equipment, optional equipment made standard, fuel prices or equipment required by government regulations or early model introductions will not be price protected, unless specifically stated.

## Option Discounts

Vehicles ordered with the option content below will receive the option incentives as indicated, in addition to the base incentive matrix above. If you receive CPA incentives via off-invoice credits, then the option discounts will be presented as a credit on the original invoice. In the event this credit is missing, payment will be made directly to you (or your subsidiary's FIN) or your assignee once the unit is reported sold.

Vehicle Line	Body	Model Year	Option Discount		
			Code	Description	Amount
Fusion (Excl Hybrid and Energi)	ALL	2020	ESP	Power Train 5/100K 0/Gas/	
Fusion Hybrid	HYB	2020	ESP	Power Train 5/100K 0/Gas/	
EcoSport	ALL	2020	ESP	Power Train 5/100K 0/Gas/	
Escape (Excl Hybrid/PHEV)	ALL	2020	ESP	Power Train 5/100K 0/Gas/	
Escape S 4WD	U9F	2020	ESP	Power Train 5/100K 0/Gas/	
Escape S FWD	U0F	2020	ESP	Power Train 5/100K 0/Gas/	
Transit (Excl AWD)	ALL	2020	ESP	Power Train 5/100K 0/Gas/	
Transit AWD	AWD	2020	ESP	Power Train 5/100K 0/Gas/	
Transit Connect	ALL	2020	ESP	Power Train 5/100K 0/Gas/	

Option discounts are valid for the specific option codes listed at the time of this agreement.

## Ford Protect (formerly Extended Service Plan (ESP)) Allowance

Ford will provide a special Ford Protect on specific vehicles purchased/leased under this program by your company. This plan is also transferrable, subject to the terms of the Ford Protect and only if you are compliance with all of the terms of this CPA agreement. The plan will be established on applicable units reported sold to BN138 (or your subsidiary's FIN ) during the 2020 program year, after the minimum volume of sales is achieved. To view the vehicle lines and the terms and deductibles, please review the Option Discount Grid.

## Ford Partner Recognition Program

If you agree to this CPA proposal, Ford Fleet will extend The Ford Partner Recognition Program (**X-Plan**) to Automotive Parts Services Group. In summary, this program will entitle eligible employees, retirees and their spouses to purchase/lease, at X-Plan pricing, up to two Ford and Lincoln products per year, per household. The description and rules of the Customer Recognition Program (which can be found at [www.fordpartner.com](http://www.fordpartner.com)) govern all terms. The program is completely turn-key, requiring no extra work on your part. In the event there is no X-Plan activity within twelve months from the date of this CPA Agreement, you may become ineligible for X-Plan benefits; however you may re-enroll at a future date.

## Eligible Vehicles

- All new vehicles listed in the vehicle incentive grid, and sold to you by Ford or to the fleet management companies with whom you do business are eligible for indicated incentives.
- Vehicles must be registered solely in the United States and must be operated in the United States. Exporting or attempting to export is prohibited.
- All units must be reported sold fleet, using your (FIN) **BN138** (or your subsidiary's FIN) and coded with **56A** to count towards volume requirements and be eligible for CPA payment. This includes purchases out of dealer stock.

## In-Service Requirements

The minimum in-service requirement for commercial vehicles is 12 months or 20,000 miles (whichever comes first). The vehicles cannot be resold during this time period. Vehicles must be registered and operated solely in the 50 United States. Exporting or attempting to export is prohibited; if any vehicle is exported prior to the expiration of the vehicle's minimum in-service requirement, you agree to refund all unit volume incentives paid for all vehicles purchased pursuant to the CPA Program during the calendar year in which the exported vehicle was purchased. Customers who violate the minimum in-service requirements may also be subject to fleet incentive chargeback and/or cancellation of their FIN code.

## Ineligible Programs

- The CPA program (56A) outlined in this letter is in lieu of the National Fleet Incentive Program (56M), Regional Preferred Equipment Package (PEP) discounts (including the Commercial Connection Upfit Program), and customer retail programs.
- Payment of a National Fleet Incentive (56M) or of a retail incentive on a vehicle will make that vehicle ineligible for CPA (56A).
- To ensure CPA payment eligibility, instruct your dealer or fleet management company in writing, NOT to utilize retail or commercial account programs on your CPA eligible vehicles. This restriction applies to units ordered from production and out-of-stock purchases.
- A vehicle sold using the National Fleet Incentive (56M) will count towards the minimum volume requirement of this agreement.
- In the event you claim retail or any other special incentive on a vehicle(s) purchased from dealer stock, that vehicle(s) will be ineligible for all aspects of this CPA program. Utilizing option code 56A on your orders will ensure maximum CPA incentives are paid to your company.

## Disputes

Any dispute between the parties to this agreement, including without limitation, fraud, misrepresentation, negligence or any other alleged tort or violation of the agreement, shall be governed by, construed, and enforced in accordance with the laws of Michigan regardless of the legal theory upon which such matter is asserted. If Ford Motor Company prevails, Ford may recover its reasonable costs and expenses, including attorneys' fees and all other litigation-related costs.

# Summary and Acceptance

This Agreement is confidential between the parties and is intended for the sole use of the Parties. The Parties will each use Reasonable Care to protect the confidentiality of this Agreement. Reasonable Care is the standard of care that the party holding the information would use in protecting the confidentiality of its own confidential information. Without the prior written agreement of the other Party, neither Party may disclose this Agreement to any third party. Disclosure to a Fleet Management Company or Ford/Lincoln Dealer for the purpose of ordering and/or purchasing vehicles pursuant to this agreement is permissible, provided the Fleet Management Company and/or Ford/Lincoln Dealer agree in writing to observe the confidentiality requirements and Reasonable Care standards set forth herein.

To protect the Parties to this Agreement, its terms cannot be amended, supplemented, waived or modified except by an instrument in writing signed by the Parties and neither this Agreement nor any of its rights, interests or obligations can be assigned without the prior written consent of the Parties. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, conditions and provisions of this Agreement shall remain in full force and effect.

The Ford Fleet team is committed to achieving the highest level of customer satisfaction. If you have any questions about your Competitive Price Allowance please do not hesitate to contact me (contact information listed below).

Your signature is requested to verify Automotive Parts Services Group's acceptance of our Competitive Price Allowance Program. Please sign and return a copy to me.

This proposal offer is valid for 30 days starting from 07/18/2019.



\_\_\_\_\_  
Dan O'Connor  
Ford Motor Company



\_\_\_\_\_  
Automotive Parts Services Group (BN138)

07/18/2019

\_\_\_\_\_  
Date

07/22/2019

\_\_\_\_\_  
Date

Please send with your signature to:  
Dan O'Connor  
[doconno3@ford.com](mailto:doconno3@ford.com)

**Dealer/Fleet Management Company  
Ordering and Out of Stock Purchase Instructions  
Automotive Parts Services Group (BN138)**

**Dealer/Fleet Management Company Ordering Instructions**

Whenever possible, fleet vehicles should be ordered from production. This ensures the vehicle is invoiced correctly with the CPA credit. It is important to note that the ordering dealer/fleet management company should be instructed to take the following actions to ensure prompt payment of eligible Ford Motor Company incentives to the Fleet Account noted above.

- Use the proper Fleet Identification Number (FIN) of **BN138** on each order. All units must be reported sold fleet, using your FIN code, and coded with "56A" to count towards volume requirements and be eligible for CPA payment.
- **Note: option code 56A is not compatible with any Retail, Commercial, Dealer Cash, or National Fleet Incentive program, unless otherwise stated in the specific program.**

**Subsidiaries**

The following subsidiaries are included in the CPA program and all sales and payments to these SUB FINs will count toward this CPA program as eligibility rules allow.

SUB-FIN	Account Name	City/State
BO331	Pronto Auto Parts	Grapevine, TX
██████	Federated Auto Parts	Staunton, VA
██████	Fisher Auto Parts Inc	Staunton, VA

**Ordered Units**

- Once a CPA offer is established in the Ford system, CONCEPS will automatically populate option code 56A on all vehicle lines associated with your FIN code. If the customer has an off-invoice program, use of option code 56A, when ordering, will allow CPA payments to be off-invoice.
- Automotive Parts Services Group has elected to assign all or part of their CPA funds to the selling dealer. CPA, if not off-invoice, will be paid to the selling dealer, via the Dealer Parts Statement, at the end of each month.
- Please note: If orders are placed before the CPA offer is established in the Ford system, the CPA credit will not be off-invoice. In this case, payment will be directed to the customer (or assignee), once the unit is reported sold.
- Dealers will not be able to remove the option code 56A from an order. Dealers should contact the FCIC at 1-800-34-FLEET (pick #2) to request the removal of option code 56A.
- **Dealers/Fleet Management Companies must report the vehicle sold to the proper end user FIN code along with the applicable fleet delivery type. (Delivery type = 7 for sale of unit to fleet customer. Delivery type = D for sale of unit to a leasing company for subsequent lease to the fleet customer.)**

**Out-Of-Stock Purchase Process**

- Dealers/Fleet Management Companies should add the option code 56A in CONCEPS to all stock units after they are reported sold/re-invoiced to Automotive Parts Services Group. CPA incentives will be paid directly to Automotive Parts Services Group, or an assignee.
- Automotive Parts Services Group has elected to assign all or part of their CPA funds to the selling dealer. CPA, if not off-invoice, will be paid to the selling dealer, via the Dealer Parts Statement, at the end of each month.
- **Dealers/Fleet Management Companies must report the vehicle sold to the proper end user FIN code along with the applicable fleet delivery type. (Delivery type = 7 for sale of unit to fleet customer. Delivery type = D for sale of unit to a leasing company for subsequent lease to the fleet customer.)**
- **Use of 56A on units previously paid Retail, Dealer Cash, or National Fleet Incentive Program (56M) incentives could result in a dealer charge back of previously paid incentives.**
- Certain model year vehicles can fall under two program years with potentially different CPA amounts. The factory order receipt date, not the invoice or sales date will determine which program year is applicable.

**Properly Reporting a Sale to a Franchisee, Distributor, or a DBA**

- To ensure franchisee, distributor or a DBA (doing business as) is properly recorded as the owner of a vehicle reported sold to a corporate FIN, additional steps must be taken when the sale is reported. CONCEPS automatically populates the corporate name and address when the corporate FIN is used. This information has to be overwritten with the franchisee, distributor, or DBA info to properly record the sale. Any questions on how to complete this procedure should be directed to the Fleet Customer Information Center at **1-800-34-FLEET**.

**Fleet Payment and Adjustment Timing Limitations**

- Automatic payments will be made to CPA customers or assignee. Any issues related to automatic CPA payments must be claimed within two years of the vehicle sale date.
- CPA payment adjustments resulting from North American Sales Accounting audit reviews must occur within the later of:  
2 years from the date the CPA incentive was paid.  
OR  
2 years from the latter of the sale date or the date the vehicle is reported sold.



## **2019 Program Year Definition**

The program year for 2019 is defined as:

### **For these 2020 MY Vehicle Lines:**

2020 Model year units with an order receipt date prior to 7/1/2019 are in the 2019 Program year. All orders placed 7/1/2019 and greater for these vehicle lines, will be 2020 Program Year vehicles.

2020 Aviator  
2020 EcoSport  
2020 Explorer  
2020 Transit Connect

**All other 2020 Model Year vehicles are included in the 2020 CPA Program Year, regardless of the order receipt date.**

Note: Due to fluctuations in manufacturing schedules, when Job #1 dates change, the Program Year definition for specific vehicle lines is subject to change.

Document current as of April 5, 2019