Price Protection Program

2016 FORD **EXPLORER**

Price Protection – Retail

Price Protection guarantees the original price level of the vehicle, as long as it is reported sold to the original ordering customer (stock vehicles are not eligible). Price Protection covers both the base, option and destination and delivery (D&D) prices of the vehicle and will automatically be paid approximately 45 days after the vehicle is reported sold to the same customer for whom the vehicle was ordered. Price Protection retail policies apply to U.S. orders only.

Automatic Price Protection

- Should a vehicle price change, confirmed retail and fleet vehicle orders are protected to the price levels (base price, options and D&D) that were in effect when the order was originally received. The vehicle must be sold to the customer for whom it was originally ordered.
- The dealer will receive an adjusted invoice; the adjusted price will appear on his Dealer Payment Statement (DPS) in the section labeled "Price Protection" approximately 30-45 days after the vehicle is reported sold.
- Dealer demo-ordered vehicles that are retained in service for a minimum of two months qualify for Price Protection.

Damaged Vehicle

- If a vehicle is ordered retail, sent to auction due to damage and replaced by a new vehicle, it will be price protected at the original price level as long as the vehicle is ordered and sold to the same customer.

What is not Price Protected?

- Changes in gasoline charges and dealer advertising are not price protected. NOTE: At the beginning of a new model year, vehicles are put in a "X00" price status (X = last digit of a model year). "X00" is only a bookkeeping level used to move new models through the assembly plant.
- Later in the production cycle, an "official" price level will be assigned; e.g., X01 (pre-sell pricing). Price Protection does not occur at Level X00; it is not actually a "Price Level."

AXZD-Plans

If a vehicle was ordered prior to the announcement of a price increase, it may be eligible for Price Protection.

Dealers may mail a reimbursement check to customer or decrease the vehicle's selling price. If the dealer decreases the price, it must be documented on the AXZD-Plans Pricing Agreement Form. If the customer was reimbursed via check, the dealer must keep a copy of the reimbursement in the deal jacket.

Go Further

Price Protection – Commercial Fleet

Price Protection guarantees the original price level of the vehicle, as long as it is reported sold to the original ordering customer. Price Protection covers both the base, option and destination and delivery (D&D) prices of the vehicle and will automatically be paid approximately 45 days after the vehicle is reported sold to the same customer for whom the vehicle was ordered. For some CPA customers, part of the agreement specifies that all vehicles will be price protected back to the introductory price level (EX 615) regardless of when the vehicle was ordered.

Beginning with the '05 MY, the finance cost shown on invoices increased throughout the year. When Price Protection is paid, the finance cost is adjusted for the price level. This can decrease the Special Dealer Account Adjustment credit that the dealer is anticipating. The dealer is responsible for calculating the finance cost at the appropriate price level when quoting a price.

Also, since Price Protection (usually) lowers the cost of the vehicle, the Holdback amount will decrease. Since dealers are paid the Holdback amount on their Dealer Payment Statement (DPS), the excess Holdback that was paid (based on the original invoice price) will be charged back through the Special Dealer Account Adjustment.

Automatic Price Protection

- Price Protection is available only for retail and fleet orders. It occurs automatically after a vehicle is reported sold to the same person/FIN for whom the vehicle was ordered.
- The dealer will receive an adjusted invoice; the adjusted price will appear on his Dealer Payment Statement (DPS) in the section labeled "Price Protection" approximately 30-45 days after the vehicle is reported sold.
- Dealer demo-ordered vehicles which are retained in service a minimum of two months qualify for Price Protection.

What is not Price Protected?

- Fuel Fill charges and Dealer Advertising (FDAF) are not price protected.
- At the beginning of a new model year, vehicles are put in a "X00" price status (X = last digit of a model year). "X00" is only a bookkeeping level used to move new models through the assembly plant. Later in the production cycle, an official "price level" will be assigned – e.g., X15 (pre-sell pricing) – and a new invoice will be sent. Price Protection will only go back to X15 since Level X00 is not an official "Price Level."

Exceptions

- If a vehicle was originally ordered with Priority Code 99 (the customer wanted to spec out an order and submit it later), the vehicle will be price protected to the date the buyer's order was signed.

Alternate Fleet Price Protection

- Some fleet customers get Up-Front Price Level Invoicing. This means that prior to release of certain order types from the assembly plant (pre-release), dealers will receive their vehicles at the introductory price level regardless of when the order was placed. This applies to the following CPA customers:
  - Hertz and Budget Corporation
  - Government
  - Enterprise
  - Specified CPA Off-Invoice customers

Special CPA Price Protection can be written into a CPA contract by the NAM. If they select this feature for a CPA customer, it will allow Price Protection to be paid as part of the deal. FIMPS recognizes the Price Protection indicator in the CPA O/L and sends a transaction to the invoicing system to have the price recalculated to the introductory price level (X15). For CPA Price Protection, the vehicle base price, options, and Destination & Delivery are included in the Price Protection calculation. Holdback, Finance Cost and Advertising are not protected.

Regular Price Protection will still be paid to the dealer through the Dealer Payment Statement, but any remaining price difference between the price level at the time of order and the introductory price level will be paid directly to the customer through FIMPS. For example, if NAVIS shows the vehicle was adjusted from X30 to X20, then that money will be paid to the dealer. FIMPS will then calculate the difference from X20 to X15 and generate a check to the customer.

The calculated Price Protection amount is entered into the FIMPS system to be paid to the CPA customer on either a monthly or yearly basis. To allow for regular Price Protection dealer payments, the FIMPS system has been modified to delay CPA "back to intro" Price Protection payment processing until 60 days from the time the vehicle becomes eligible for CPA.

Go Further