DROP SHIP / PRE-DELIVERY INSPECTION (PDI) APPLICATION INSTRUCTIONS

What is a Drop Ship Location: It is the final destination for a unit and the unit is not put back into Ford Motor Company Traffic once dropped to a drop ship location (ex. Body Modifier or Up-Fitter Company). Ford Motor Company’s Vehicle Drop Ship Process is designed to provide fleet customers direct delivery of their fleet vehicle orders to a specified approved location. This drop ship process is available for Fleet accounts, and in addition to Body Modifier or Up-Fitter Companies. This function is NOT for retail orders.

What is PDI and its purpose: It is the performance of a high quality PDI and new vehicle conditioning as prescribed on the appropriate Pre-delivery Service Record. The purpose of PDI is to assure that the vehicle has received all necessary fluids, lubricants and oils. Further, that all the necessary adjustments have been performed on the vehicle prior to placing the vehicle into service.

INSTRUCTIONS:

1. DROP SHIP FACILITY INFORMATION
   - All fleet accounts and body/conversion companies must complete this section.

2. TYPE OF BUSINESS
   - All fleet accounts and body/conversion companies must complete this section.

3. VEHICLE LINES, FOR WHICH APPROVAL IS REQUESTED AND ESTIMATED ANNUAL VOLUME FOR EACH REQUESTED VEHICLE LINE
   - Please check appropriate box(es) and indicate the estimated annual sales volumes for Ford and Lincoln vehicles for each requested vehicle line.

   Example:

<table>
<thead>
<tr>
<th>Item</th>
<th>Est. Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ford Cars</td>
<td>X 500</td>
</tr>
</tbody>
</table>

4. TYPE OF REQUEST
   - Please check off whether or not your request is for Drop Ship and PDI privileges or Drop Ship privileges only

<table>
<thead>
<tr>
<th>Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drop Ship Only</td>
</tr>
<tr>
<td>Drop Ship with PDI</td>
</tr>
</tbody>
</table>

5. HOURLY LABOR RATE
   - You are required to enter a rate to conduct PDI of vehicles delivered to your facility

6. TOOL REQUIREMENTS
   - This section outlines basic tool requirements for Drop Ship. The facility’s repair level dictates the tools and equipment needed. Please assess your tools and equipment as follows:

<table>
<thead>
<tr>
<th>Assessment of Tools and Equipment</th>
<th>Use A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools and equipment on hand</td>
<td>X</td>
</tr>
<tr>
<td>Tools and equipment to be purchased in the near future</td>
<td>*</td>
</tr>
<tr>
<td>Tools and equipment which are not required because the facility does not perform a certain function</td>
<td>N/A</td>
</tr>
</tbody>
</table>
A Labor Rate for all repairs will be assigned by using a comparison of ten Ford/Lincoln Dealers closest to the approved facility. A Drop Ship PDI rate will be no more than 80% of Dealer Market Average.

NOTE: DO NOT LEAVE ANY BLANKS WITHIN APPROPRIATE CATEGORIES. THIS WILL DELAY THE PROCESSING OF YOUR APPLICATION!!

Requirements for PDI:

- Performance of a high quality PDI and new vehicle conditioning as prescribed on the appropriate Pre-Delivery Service Record.
- Completion of Pre-Delivery Service Record for any vehicle delivered to the facility to be kept on file for one year for review upon request by a Ford Representative.

NOTE: Vehicles can be delivered to the final customer by either of the following:

1. A Ford, Lincoln dealership
2. A fleet location that is approved to perform PDI

*If a vehicle is being driven to a Ford, Lincoln dealership OR an approved fleet location, PDI will be required.

Upon completion of the PDI of a vehicle, the facility is required to do the following:

1. PDI consists of, but not limited to, the following operations from the PDI Service Record:

   - Air Compressor for Tires
   - Tire Pressure Gauge
   - Battery Charger
   - Digital Volt/Ohmmeter
   - Agree to request User ID to access to www.fleet.ford.com by contacting 1-800-34-FLEET

2. Forward to the sponsoring dealership a copy of the PDI Service Record form to the selling/invoicing dealer or to the fleet location that will complete the remainder of the PDI.

3. Keep the record available for review by a Ford Representative upon request.

Information on PDI:

Vehicles that are drop shipped to the facility that will be delivered to the final customer by a Ford / Lincoln Dealer OR to a fleet location that is approved to perform PDI will receive, at minimum, the PDI noted above. There is no payment made by Ford for inspections.

Vehicles that are drop shipped to the facility that will not be delivered to the final customer by a Ford / Lincoln Dealer OR to a fleet location that is approved to perform PDI, will receive a full PDI.

If repairs are required during PDI, the repairs will be made by a Ford / Lincoln Dealer OR a fleet location that is approved to perform warranty repairs (NOT to exceed authorized repair levels).

Service facilities will request monetary reimbursement for the performance of PDI from the selling Ford / Lincoln Dealer. This is NOT the responsibility of Ford.
What are the responsibilities of the Dealer that the Drop Ship Location is agreeing to with regards to receiving vehicles?

The Drop-Ship location is taking on the responsibility of the Dealer which includes and is not limited to (Full detail is provided for in Warranty and Policy Manual (located Section 2 – Carrier Drop-Off Through Delivery to Customer (pages 44 – 68):

It is the Dealer’s (the Drop Ship location’s) responsibility to inspect new vehicles received by the Dealership (the Drop Ship location) and document any damage to the vehicles or any conditions which caused them to differ from the new vehicle order.

The Dealer (the Drop Ship location) must establish a vehicle inspection procedure within the Dealership (the Drop Ship location) and train adequate personnel to be responsible for receiving new vehicles according to established procedures.

NOTE:
- Vehicle check-in personnel must be available during all hours of Dealership (the Drop Ship location) operation.
- Inspect each vehicle in the Carrier Representative’s presence. Specific to Rental, if the Rental customer allows after hour deliveries, all disputes must be documented and filed within 24 hours.
- Code all transportation loss and damage on all copies of the bill of lading/delivery receipt accurately and in detail.
- Not have pay plans that incentivize vehicle check-in personnel based on the number or repair cost of exceptions noted during the inspection process.

IMPORTANT:
- Damages or shortages added to the bill of lading/delivery receipt after the carrier representative has received their signed copy and left are NOT reimbursable from the Company or the Carrier.
- Sign for delivery by clearly writing the name of the Dealer’s (the Drop Ship location’s) representative, the date, and the time of delivery.
- Notify the Carrier in writing (certified mail with return receipt recommended or fax) within two business days of all concealed loss or damage.
- Proof of notification is required for claim payment.
- Hold for the Carrier any parts removed from the vehicle due to transportation damage. (These are called “salvage parts.” Refer to “Disposition of Salvage Parts” in this section (Section 2 in the Warranty and Policy Manual).

IMPORTANT: Failure to do any of these things will, in most cases, relieve the Carrier of liability, making it necessary for Ford to chargeback such claims to the Dealer (the Drop Ship location).

PLEASE NOTE: Ford Motor Company performs annual audits and any inactive Drop Ship / PDI code not used in 12 months will be reviewed by Ford Motor Company on a case by case basis and it may be determined to withdraw prior approvals and terminate the code(s).

Section F: APPROVAL – The owner or officer of the requesting Fleet or Body / Conversion Company must sign and date the application on the appropriate lines. Please print full legal name and title.

Submit completed application and written request to Fleetwty@ford.com

*******APPROVAL PROCESS MAY TAKE UP TO 4-6 WEEKS *******