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## **Nissan Brand Advertising Allowance Program (BAP)**

*August 2017*



### Program Description

Nissan North America (NNA) designed the Brand Advertising Allowance Program (BAP) to strengthen and build Nissan's brand, image, and competitiveness by contributing to NNA dealers' promotion of NNA products, subject to the fulfillment of BAP requirements in the areas of customer promise, vehicle advertising, and delivery, as set forth below. Under the BAP, NNA dealers are eligible to earn BAP Funds (defined below) for all Eligible Vehicles (defined below).

### Eligible Vehicles

All new, unused Nissan brand vehicles wholesaled by NNA directly to an authorized NNA dealer on or after the effective date of BAP are Eligible Vehicles under the BAP. Fleet vehicles ordered at Dealer Net, Nissan Company Vehicles, and used vehicles are not Eligible Vehicles under the BAP.

### Brand Advertising Allowance Program (BAP) Funds

For Nissan Commercial Vehicles (currently NV Cargo Van, NV Passenger Van, NV200, NV200 Taxi), BAP Funds equal 2% of Dealer Net (including options, less Destination and Handling) rounded to the nearest dollar per vehicle.

For all other Eligible Vehicles, BAP Funds equal 2% of Dealer Net (including options, less Destination and Handling), rounded to the nearest dollar plus \$50 per vehicle.

Dealers may track their BAP Fund payments through the paid Holdback and Brand Allowance Statement (report # ZSR00011). NNA's Accounts Receivable Department generally processes these payments the first week of each month. Dealers that are set up for Electronic Funds Transfer (EFT) should receive a credit to their bank account. If a dealer is not set up for EFT, brand allowance credits post to the NVA (non-vehicle) account.

### Program Requirements

To receive BAP Funds, a NNA dealer must maintain compliance with the following three criteria:

- Dealership Display of Customer Promise Placard
- Dealership Completion of the Nissan Delivery Course
- Advertising Meets Minimum Advertised Price Requirements

*\*The Brand Allowance Program is a program offered by Nissan North America, Inc. ("NNA") and does not create or modify, nor is it intended to create or modify, a contract, agreement or "franchise" between NNA and any participating dealer, nor does it modify, alter or amend in any way the Nissan Dealer (Term) Sales and Service Agreement between NNA and any participating dealer. NNA holds and expressly reserves the right to modify, change or cancel the program at any time for any reason or incurring liability.*



## Dealership Display of Customer Promise Placard

A dealer must have and display the Nissan Customer Promise Placard in an undamaged state and in a location easily viewable to customers. In that regard, NNA recommends the following:

### LOCATION

- Interior wall behind or near the reception desk
- Affixed to a panel of the Information Wall
- Open showroom wall that is free from other pictures or posters

### OTHER

- Mount placard at eye level
- Avoid attachment to the Nissan Brand Wall
- Avoid hanging in a showroom window

Dealers may order the Nissan Customer Promise Placard by emailing [NissanCustomerPromise@nissan-usa.com](mailto:NissanCustomerPromise@nissan-usa.com) and providing the following information:

1. Dealership Name
2. Dealer Code
3. Street Address
4. Ship to the Attention of
5. Phone Number

*Please note: The BAP Support Center does not manage the "Customer Promise Placard" portion of the BAP program. For questions regarding Customer Promise Placards, please contact your District Operations Manager.*





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## Brand Advertising Allowance Program Guidelines

### Dealership Completion of the Nissan Delivery Course

At least one active member of a dealership's Sales Management must have completed the course "New Vehicle Detail, Storage & Delivery" in Virtual Academy on nnanet.com. For purposes of the BAP, Sales Management is defined as at least one of the following: the Dealer Principal/Principal Owner, Executive Manager, General Manager, General Sales Manager, Sales Manager, Internet Manager, New Car Sales Manager, or Owner Loyalty Manager.

Once completed, the dealership is considered compliant with this criteria until there is no one employed among the dealership's Sales Management that has completed the course. In such case, the dealership shall maintain eligibility so long as a member of its Sales Management completes the course by the end of the calendar month following the first month in which the dealership no longer employed a member of Sales Management that had completed the course OR NNA releases an updated Delivery Course, which generally takes place at the beginning of the NNA fiscal year. All dealerships will have 60 days from the release of the updated Delivery Course to complete it in order to maintain compliance.

*Please note: The BAP Support Center does not manage the "Nissan Delivery Course" portion of the BAP program. For questions regarding the Nissan Delivery Course, please contact your District Operations Manager.*





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### Minimum Advertised Price (MAP) Guidelines

The following MAP requirements apply to all forms of advertising, including print, TV, radio, online (including dealer-specific customized pages on auction websites, online consumer shopping sites, and third-party auto sites such as TrueCar, Edmunds, and KBB), e-mail, website, and any other public-facing medium for all applicable models. Advertising must not contain references to other advertising media, including local dealer websites, that contain distressed advertising pricing language or advertise prices that are below MAP. The following are MAP guideline infractions:

**B3A1:** Eligible vehicles for which Minimum Advertised Prices are specified must include the last 8 digits or full 17 digits of the Vehicle Identification Number (VIN) next to each offer rather than in the disclaimer. For example, if three prices and/or models are listed, then the last 8 digits or full 17 digits of three VINs are required.

**B3B:** Dealers must not advertise retail prices or monthly payments on eligible new or demonstration vehicles that are below Minimum Advertised Prices. Please refer to the MAP calculation table on the following page for more details. If accessories are included on a vehicle showing a total savings message, the maximum total discount must not exceed the maximum allowed total savings for that vehicle plus the cost of accessories to the dealer (excluding labor costs). In order for the accessories to be applied to the discount, dealers must include with their pre-approval submission an invoice or supporting documentation clearly detailing the dealer cost of the accessories.

**B3C:** Advertised lease price points (LPPs) on eligible new or demonstration vehicles must not be below Minimum Advertised Prices. Please refer to the lease calculation table on the following page for more details.



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## Brand Advertising Allowance Program Guidelines

### MAP Calculations

The Minimum Advertised Price is determined by subtracting the approved percentage from the MSRP of the specific Vehicle Identification Number (VIN) for each vehicle advertised. Approved percentages are set forth on the following table, which may be updated by NNA from time to time in its sole discretion. Any retail monthly payment advertised should be based off a Minimum Advertised Price Calculation.

#### MINIMUM ADVERTISED PRICE CALCULATION TABLE

MY17's	% less VIN Specific MSRP	MY17's	% less VIN Specific MSRP
Versa Sedan	25%	Titan	30%
Versa Note	25%	Titan XD	30%
Sentra	25%	Frontier	25%
Altima	30%	Murano	25%
Rogue	25%	Pathfinder	25%
Rogue Sport	10%	Armada	15%
Maxima	25%	NV200	25%
370Z Coupe	25%	NCV	25%
370Z Roadster	25%	LCV Cargo	25%
Juke	25%	LCV Passenger	25%
GT-R	25%		

#### EXAMPLE OF MINIMUM ADVERTISED PRICE CALCULATION

- Rogue VIN Specific MSRP = \$24,000
- Less Approved Percentage = 25% (\$6,000)
- Minimum Advertised Price of \$24,000 - \$6,000 = \$18,000

#### Total Savings When Accessories Included

If a dealer installs after-market accessories, whether genuine or non-genuine Nissan accessories, the cost of the accessories to the dealer (excluding labor costs) can be added to the discounted amount in a total savings message.

#### Example of Titan Allowable Total Savings with Accessories

- Titan MSRP = \$50,000
  - Allowable total savings = \$15,000 (30% x \$50,000)
  - Dealer costs of accessories (excluding labor) = \$5,000
- Maximum Amount allowed in Total Saving Message = \$20,000 (30% discount \$15,000 + \$5,000 accessories cost)
- Total Savings message example including accessories: "\$20,000 off on a Titan"



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## Brand Advertising Allowance Program Guidelines

### Lease Calculations

When advertising a lease, the advertised lease price point (LPP) may not be less than the VIN specific MSRP multiplied by the approved factor. Approved factors are set forth on the following table, which may be updated by NNA from time to time at its sole discretion.

#### MINIMUM ADVERTISED LEASE PRICE POINT CALCULATION TABLE

MY17's	Factor * MSRP = LPP	MY17's	Factor * MSRP = LPP
Versa Sedan	0.5%	Titan	0.5%
Versa Note	0.5%	Titan XD	0.5%
Sentra	0.5%	Frontier	0.5%
Altima	0.4%	Murano	0.5%
Rogue	0.5%	Pathfinder	0.5%
Rogue Sport	0.65%	NV200	0.5%
Maxima	0.5%	NCV	0.5%
370Z Coupe	0.5%	LCV Cargo	0.5%
370Z Roadster	0.5%	LCV Passenger	0.5%
Juke	0.5%	Armada	0.65%
GT-R	0.5%		

#### EXAMPLE OF LEASE PRICE POINT (LPP) CALCULATION

- Rogue VIN specific MSRP = \$24,000
- Rogue Factor for determining Minimum Advertised Price = 0.5%
- Minimum Advertised LPP = \$24,000 x 0.5% = \$120 for this VIN



### Monitoring Process

The BAP Support Center reviews dealer advertisements on an ongoing basis to ensure compliance with Minimum Advertised Prices. If a dealer's advertising is found to be non-compliant, the dealer will be notified in writing. Upon receipt of such a notification letter, the dealer must immediately take steps to ensure that all future advertising complies with Minimum Advertised Prices.

Dealers found to have advertised prices below Minimum Advertised Prices will receive one written warning letter (the "Strike Letter").

If a dealer is found to have advertised prices below Minimum Advertised Prices a second time within three consecutive months, the dealer will receive a second Strike Letter and the dealer will be charged back the full amount earned from the BAP for the month that the second strike was received. The second Strike Letter will advise of the non-compliance and the chargeback.

#### EXAMPLE

Dealer is found to have advertised prices below Minimum Advertised Prices on April 15, 2017 and is issued the first Strike Letter. If the dealer is found to have advertised prices below Minimum Advertised Prices a second time on June 5, 2017, and is issued the second Strike Letter, this would result in a chargeback of all BAP Funds earned on Eligible Vehicles in the month of June 2017. The chargeback would equate to 2% of Dealer Net (including options, less Destination and Handling) on Commercial Vehicles and 2% of Dealer Net (including options, less Destination and Handling) plus \$50 of all other eligible vehicles wholesaled to the dealer (PNUW) in the month of the second strike.

To ensure advertising is compliant with the Minimum Advertising Prices, dealers are encouraged to take advantage of the no-cost pre-approval service provided by the BAP Support Center (RMPCoMarketing@Ansira.com). Pre-approvals will be reviewed within 24 hours of receipt (excluding weekends and holidays) for all media except websites which will be reviewed within seven business days of receipt.





## Clearing the Record of Instances of Non-Compliance

Following the date of the first Strike Letter (or a subsequent Strike Letter, if applicable), dealers must have three consecutive months of compliance with Minimum Advertised Prices in order to clear their record of all instances of Minimum Advertised Price non-compliance.

### EXAMPLE

Dealer is found to have advertised prices below Minimum Advertised Prices on April 10, 2017 and is subsequently issued the first Strike Letter. To clear the first strike, dealer must remain compliant through July 10, 2017 (three months).

The same rule would apply for a second strike. If a second strike is issued, the dealer would be charged back for the BAP Funds in the month in which the second strike occurred. Dealer must remain compliant for three months to be cleared of the Minimum Advertised Price non-compliance. If a dealer receives a subsequent strike (after the second strike) prior to the three-month clearance, the dealer would be charged back all BAP Funds for the month in which the subsequent strike occurs.

### EXAMPLE

Dealer is found to have advertised prices below Minimum Advertised Prices on May 30, 2017 and is subsequently issued a second Strike Letter, the dealer will be charged back the BAP Funds for May 2017. The dealer must maintain three consecutive months of compliance with Minimum Advertised Prices (in this example, until August 30, 2017) to clear the record of strikes. The next time the dealer is found to have advertised prices below Minimum Advertised Prices (after August 30, 2017) would result in a first Strike Letter.

## Appeals

Appeals must be submitted in writing and received by the BAP Support Center within 30 days after the date of the Strike Letter in order to be considered. If an appeal is made, the chargeback of BAP Funds will not take place until the appeal is decided by NNA.

Appeals may be submitted through the online form on the BAP Support Center website or by mail to the BAP Support Center. Dealers can access via [www.nnanet.com](http://www.nnanet.com), under Workspace, Sales & Marketing.

**BAP Support Center**  
**2300 Locust Street**  
**St. Louis, MO 63103**  
**1-888-267-6066**  
**[RMPCoMarketing@Ansira.com](mailto:RMPCoMarketing@Ansira.com)**



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### **Audit and Chargeback**

Nissan may audit dealer compliance with the program requirements and charge back any BAP Funds on vehicles wholesaled to a non-compliant dealer. Dealers that are found to be non-compliant will be charged back the BAP Funds paid on all Eligible Vehicles in accordance with these rules via a debit to their non-vehicle account (NVA). Nissan will audit compliance with the program requirements in accordance with the following procedures:

#### **Dealership Display of Customer Promise Placard**

Initial "Compliance / Non-compliance" status has been determined based on the information currently available to Nissan. Dealers that have been determined to be initially non-compliant must submit photos to their Nissan Dealer Operations Manager (DOM) evidencing compliance in order to gain Compliance status. Such photos must be submitted within 60 days of notification of non-compliance to avoid chargeback.

Compliance thereafter will be audited on an annual basis according to Nissan's fiscal year. Any dealer found non-compliant will be afforded 60 days to achieve compliance prior to any chargeback by submitting photos to their DOM evidencing compliance within such a 60-day period. Failure to show compliance within such a 60-day period will result in chargeback of the BAP Funds paid on all Eligible Vehicles purchased by the dealer during the period of non-compliance and thereafter until compliance is established or regained.

#### **Dealership Completion of the Nissan Delivery Course**

Initial "Compliance / Non-compliance" status has been determined based on the information currently available to Nissan. Dealers that have been determined to be initially non-compliant must gain compliance within 60 days of notification of non-compliance to avoid chargeback.

Compliance thereafter will be audited on a monthly basis. Any dealer found non-compliant as a result of such an audit will be afforded 60 days to achieve compliance prior to any chargeback as demonstrated by online completion of the Delivery Course by a member of the dealer's Sales Management. Failure to achieve compliance within such 60-day period will result in chargeback of the BAP Funds paid on all Eligible Vehicles purchased by the dealer during the period of non-compliance and thereafter until compliance is established or regained.

#### **Compliance with Minimum Advertised Prices**

Please refer to the Minimum Advertised Prices requirements listed on page 6 for more details.



### Program Application to New and Terminated Dealers

**New Dealers:** Newly authorized Nissan dealers, whether via sale, transfer or appointment, will be afforded a grace period of 60 days from commencement of Nissan dealership operations to achieve compliance prior to being subjected to chargeback.

**Terminated Dealers:** Subject to any limitations imposed by state law, and in accordance with the Nissan Dealer Sales & Service Agreement and Nissan policy, any BAP Funds paid on an Eligible Vehicle will be deducted in determining the repurchase price at which any Eligible Vehicle is subject to repurchase by Nissan as a result of such termination.

### Opting Out

Dealers may opt out of the BAP at any time by providing written notice to the BAP Support Center of their desire to do so. Following NNA's processing of such a written request, dealers will cease receiving BAP Funds. NNA may, at its sole discretion, charge back any BAP Funds paid by NNA to the dealer following NNA's receipt of the dealer's opt-out notification.

### Program Reporting

NNA will provide the following program tools and reporting on the status of Compliance/Non-Compliance:

1. BAP program document will be published to NNA.net
2. BAP payments by VIN will be provided in ViewDirect (report # ZSR00011)
3. BAP chargebacks will be available in ViewDirect (report # ZSR00011)
4. Customer Promise Placard reporting will be handled by the Nissan Customer Experience (CE) department
5. Delivery Course compliance reporting will be available through the Nissan Virtual Academy accessed by the field under One Click Reporting
6. The Sales Operations Department will communicate noncompliance as it relates to the Customer Promise Placard and Nissan Delivery Course. The BAP Support Center will communicate non-compliance as it relates to Minimum Advertised Prices.



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### **Changes to the Brand Advertising Allowance Program**

NNA may modify, change, or cancel the BAP at any time for any reason without notice or incurring liability. This version of the Rules (Brand Advertising Allowance Program 2.0 – May 1, 2017) supersedes and replaces any version of the Delivery Allowance Program.

Nissan may change the Minimum Advertised Prices at any time. Nissan will provide at least thirty days' notice in writing before any change to vehicles covered by the BAP or any changes to the Minimum Advertised Prices take effect. Minimum Advertised Prices apply only to dealer advertising.

It is the dealer's responsibility to ensure that its advertisements comply with all federal, state, and local laws.

No NNA policy or program, including the BAP, is intended to prevent a dealer from selling or displaying a vehicle on the dealership premises at any price the dealer chooses.

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