



Dealer of Distinction



The Safe Choice

2010

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DEALER OF DISTINCTION

Dear Hyster Dealer Principals:

Together, we will address and overcome the challenges we face in 2010 and continue to successfully implement our business strategies.

The Dealer of Distinction program is both a blueprint for success and a dealer recognition program which defines the most critical business areas and performance standards necessary to develop and maintain a professional and successful Hyster dealership.

We have expanded the program to include a Dealer of Merit recognition level as well as adjusted several measurements. Our goal is to have every dealer attain one of these levels of achievement.

Together we will make a difference. We look forward to working with you in 2010 as we pursue our mutual goals.

We hope to welcome all dealers into the Dealer of Distinction honor roll this year.

Regards,

A handwritten signature in black ink, appearing to read 'Bob Sattler', with a stylized, cursive script.

Bob Sattler
Vice-President Dealer Business Development

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Effective: January 1, 2010

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Program Overview

Introduction

Dealer of Distinction provides an objective process to identify top performing Hyster dealers. The very best Hyster dealers earn Dealer of Distinction or Dealer of Merit recognition.

Dealer of Distinction is a perpetual program with annual recognition on a calendar year basis. All dealers can benefit from Dealer of Distinction Program's benchmarking process. Any dealer, committed to excellence, can earn recognition.

Dealer of Distinction will evolve over time and criteria will be modified to reflect changing business conditions and practices, dealer feedback and higher performance standards.

All authorized Hyster Dealers in the U.S. and Canada are expected to participate in the Dealer of Distinction program and are eligible to receive recognition and rewards per program guidelines.

Categories for Distinction

Dealer of Distinction is focused on critical business areas and does not attempt to address every business practice or performance standard within a dealership. The criteria necessary to achieve performance excellence within each business area have been grouped into five key categories. Each definition includes the performance measurement and the number of points earned for achieving the stated measurement.

Criteria Category	Total
Market Share	300
Sales Management	200
Aftermarket	300
Short Term Rental	100
Financial Services	100
Total	1,000

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Assessment & Submission

At the close of the year, full year performance data will determine which dealers earn recognition for the program year. All input is based on calendar year 2010 performance. Dollar amounts and quantities should be submitted in whole numbers unless otherwise specified.

The information needed to measure a dealer's performance for each criterion comes from three sources; the dealer, Hyster/NMHG Regional Managers and NMHG marketing information systems. At the end of each reporting period, dealers are to submit their input to Dealer Business Development Department through the Digital Dealer, by the following deadline:

Reporting Period	Due Date
Jan – May 2010	June 30, 2010
Jan. - Dec. 2010	January 31, 2011

Special Provisions

- Dealer evaluations will generally match the dealerships as reported for ITA purposes. Exceptions will be made for dealerships that are purchased during a calendar year. These exceptions will be agreed to between the dealer and the VP of Dealer Business Development.
- Reporting dealers with multiple reporting divisions are as follows:
 - o Arnold Machinery – (4)
 - o Barloworld – (4)
 - o MH Logistics – (5)
 - o Modern Handling – (2)
 - o Papé Material Handling – (8)
 - o Stewart & Stevenson – (2)
 - o Van Keppel – (2)
 - o Wajax – (4)

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Recognition

Dealer of Distinction – Minimum achievement of 14% Dealer Base Booking Market Share and 750 Points

Dealer of Merit – Minimum achievement of 12% Dealer Base Booking Market Share and 600 Points

Dealer of Distinction Awards

- ✓ Dealer of Distinction Award
- ✓ Letter for use by dealer with customers
- ✓ Award ceremony

Dealer of Merit Award

- ✓ Wall Plaque

Each Criteria Section has a maximum point value “Cap Limit” that will count towards attaining a recognition level. There are more points available for individual measurements to allow well performing dealers to reach the Capped Limit for certain Categories.

NMHG reserves the right to amend or cancel this program at its sole discretion and has final authority with respect to the interpretation of program rules or any other matter pertaining to the Dealer of Distinction Program.

Market Share

300 Points

Total Point Limitations: There are 450 potential points available in the Market Share Section. However this section has a Capped Limit of 300 Points.

Dealer Base Market Share

150 Points

Dealer Base Booking M.S.	Points
20.0%+	150
17.0 - 19.99%	100
14.0 - 16.99%	75
12.0 – 13.99%	50

$$\text{Dealer Base M.S.} = \frac{\text{Dealer Base Bookings}}{\text{Industry Retail Bookings}}$$

Dealer Base Bookings: Number of dealer retail bookings (without National Accounts) reported to ITA during the 2010 calendar year for truck classes I, II, III, IV and V.

Total Industry Retail Bookings: Number of industry retail bookings reported to ITA during the 2010 calendar year for truck classes I, II, III, IV and V.

Dealer Total Market Share

150 Points

Dealer Total Booking M.S.	Points
22.0%+	150
20.0 – 21.99%	100
18.0 – 19.99%	75
15.0 – 17.99%	50

$$\text{Dealer Total M.S.} = \frac{\text{Total Retail Bookings}}{\text{Industry Retail Bookings}}$$

Retail Bookings: Number of dealer retail bookings (with National Accounts) reported to ITA during the 2010 calendar year for truck classes I, II, III, IV and V.

Total Industry Retail Bookings: Number of industry retail bookings reported to ITA during the 2010 calendar year for truck classes I, II, III, IV and V.

Dealer Shipment Market Share

150 Points

Dealer Shipment M.S.	Points
22.0%+	150
20.0 – 21.99%	100
18.0 – 19.99%	75
15.0 – 17.99%	50

Dealer Shipment
Market Share =

$$\frac{\text{Total Retail Shipments}}{\text{Industry Retail Shipments}}$$

Retail Shipments: Number of dealer retail shipments (with National Accounts) reported to ITA during the 2010 calendar year for truck classes I, II, III, IV and V.

Total Industry Retail Shipments: Number of industry retail shipments reported to ITA during the 2010 calendar year for truck classes I, II, III, IV and V.

Sales Management

200 Points

Total Point Limitations: There are 350 potential points available in the Sales Management Section. However this section has a Capped Limit of 200 Points.

Sales Coverage

100 Points

Sales Coverage Ratio	Points
350.0 or less to 1	100
375.0 - 350:1 to 1	50
400.0 – 374.9 to 1	25

$$\text{Shipments Coverage} = \frac{\text{Total Industry Retail}}{\text{Number of Sales People}}$$

Total Industry Retail Shipments: Number of industry retail shipments reported to ITA as of December 31, 2010 for truck classes I, II, III, IV and V.

Truck Salespeople: Number of full-time and part-time new truck salespeople reported by the dealership at year-end 2010. Refer to Appendix A for Salesperson definition.

DOD Information Source: Dealer – NMHG

Sales Certifications

50 Points

Sales Person Certifications	Points
50.0%+	50
40.0 - 49.99%	25

$$\text{Truck Salesperson \% With Certifications} = \frac{\text{Total Certifications}}{\text{Truck Sales People}}$$

Total Certifications: Number of currently employed Salespeople with a New Hire, Certified or Master NMHG Salesperson Certification.

Truck Salespeople: Number of full-time and part-time new truck salespeople reported by the dealership at year-end 2010. Refer to Appendix A for Salesperson definition.

DOD Information Source: Dealer – NMHG Training Department

Awareness

50 Points

Awareness	Points
50.0% +	50

$$\text{Awareness} = \frac{\text{Total Dealer Quotes (Won + Lost)}}{\text{Industry Retail Bookings}}$$

Total Industry Retail Bookings: Number of industry retail bookings reported to ITA during the 2010 calendar year for truck classes I, II, III, IV and V.

Total Dealer Quotes (Won + Lost): Number of units in retail quotes recorded in eHero as “Won” and as “Lost” during the 2010- calendar year for truck classes I, II, III, IV & V.

DOD Information Source: Retail Bookings – Hyster Dealer Quotes – Dealer via eHero

Closure

50 Points

Closure	Points
30.0% +	50

$$\text{Closure} = \frac{\text{Total Won}}{\text{Total Dealer Quotes (Won + Lost)}}$$

Total Won: Number of Hyster quotes recorded in eHero as “Won” during the 2010 calendar year for truck classes I, II, III, IV and V.

Total Dealer Quotes (Won + Lost): Number of units in retail quotes recorded in eHero as “Won” and as “Lost” during the 2010 calendar year for truck classes I, II, III, IV & V.

DOD Information Source: Total Won and Total Dealer Quotes – Dealer via eHero

Days Stock on Hand / Stock on Order

100 Points

Days Stock on Hand / Stock on Order	Points
60+ days	100
45+ days	50

$$\text{Days SOH / S00} = \frac{\text{Total Dealer SOH/S00}}{\text{Dealer Retail Bookings Goal} \div 365}$$

Stock on Hand / Stock on Order: Number of Hyster lift trucks identified as stock on the Stock On Hand and On Order Reports as of 12/31/2010.

Dealer Retail Bookings Goal: Total number of Hyster retail bookings set as annual goal in the Dealer Business Plan for truck classes I, II, III, IV and V (not including National Accounts and Rental).

DOD Information Source: NMHG Dealer Business Development

Aftermarket

300 Points

Total Point Limitations: There are 350 potential points available in the Aftermarket Section. However this section has a Capped Limit of 300 Points.

Aftermarket Coverage

75 Points

Aftermarket Coverage	Points
1 per 600 ITA	75
1 per 700 ITA	50
1 per 800 ITA	25

$$\text{Aftermarket Coverage} = \frac{\text{Number of Sales People}}{\text{Average Industry Retail Shipments}}$$

Industry Retail Bookings: Average annual number of industry retail shipments reported to ITA during the five calendar years 2005-2009 for truck classes I, II, III, IV and V.

Number of Salespeople: Number of qualified full-time and part-time aftermarket salespeople at year-end 2010. See Appendix A for definitions.

DOD Information Source: Aftermarket salespeople - Dealer, Industry Shipments - NMHG.

Market Penetration Index

75 Points

% of Objective	Points
90.0% +	75
70.0 – 89.99%	50
60.0 – 69.99%	25

Market Penetration Index (MPI): Percent of market penetration as determined by NMHG utilizing market information and formula as communicated by the Aftermarket Department at the end of calendar year 2010.

DOD Information Source: NMHG Aftermarket Department.

Certified Technicians

100 Points

Certification Percentage	Points
80+% Certified Techs	100
70.0 – 79.99% Certified	50

$$\text{Technician Certifications} = \frac{\text{Technicians with Certifications}}{\text{Number of Technicians}}$$

Technicians with Certifications: Number of currently employed Technicians with an NMHG Fleet, Certified, Master or Elite Certification.

Number of Technicians: Number of technicians at year-end 2010 as reported by dealer.

DOD Information Source: Dealer – NMHG Training Department

Service Productivity

50 Points

Service Productivity Ratio	Points
85.0+ Productivity	50
80.0 – 84.99% Productivity	25

$$\text{Service Productivity Ratio} = \frac{\text{Hours Billed}}{\text{Hours Paid}}$$

Hours Billed: Number of hours billed to retail and internal customers and warranty during the 2010 calendar year. Internal hours should not include Lost Time Hours for rework, training, clean-up, van or shop maintenance, etc.

Hours Paid: Number of hours paid to Technicians during the 2010 calendar year. Paid hours include holidays, vacations, sick time etc.

DOD Information Source: Dealer

Technician Ratio

50 Points

Technician Ratio to Total Employees	Points
50+% Technician Ratio	50
45 - 49.99% Tech Ratio	25

$$\text{Technician Ratio} = \frac{\text{Number of Technicians}}{\text{Total Employee Head Count}}$$

Number of Technicians: Service, rental and used equipment technician head count as of December 31, 2010. At least 50% of a Technician's time must be billable to internal or external customers for an individual to be counted as a technician.

Total Employee Head Count: Total head count of full and part-time employees (including leased or contract employees) as of December 31, 2010. Part-time employees should be counted as ½ of an employee.

DOD Information Source: Dealer.

Short Term Rental

100 Points

Rental Market Share	Points
20.0%+	100
18.0% - 19.99%	75
15.0%-17.99%	50

$$\text{STR Market Share} = \frac{\text{Fleet Size}}{\text{Rental Market}}$$

Fleet Size: Monthly average number of Hyster short-term rental trucks during the 2010 calendar year. Fleet size reporting corresponds to the end of each calendar month. (Do not include units acquired as used or non-Hyster units in the calculation).

Short Term Rental Market: 60% of 5 year average of shipped units in Classes I, II, IV & V.

DOD Information Source: STR Fleet Size - Dealer, Short-Term Rental Market – NMHG.

Financial Services Share

100 Points

NMHG-FS Market Share	Points
60.0+%	100
55.0% - 59.99%	75
50.0% - 54.99%	50

$$\text{Financial Services Market Share} = \frac{\text{NMHG-FS Retail Volume}}{\text{Adjusted Net Sales}}$$

Adjusted Net Sales: The dealer net equipment sales (purchases from NMHG) multiplied by .80 (for rental deduction) multiplied by 1.05 (add for gross profit) and an added 25% of electric lift truck sales (add for batteries and chargers).

Retail Volume: The Dealer's dollar volume of leasing and financing that is processed through NMHG Financial Services.

DOD Information Source: NMHG Financial Services

Appendix A

Truck Salesperson Qualification

- A full-time truck salesperson has no parts and service responsibility, (other than Fleet Management and contract maintenance promotion) works outside and has an assigned territory and/or list of specified accounts. Counts as one salesperson.
- A part-time truck salesperson has both new truck and aftermarket sales responsibilities, is compensated accordingly, works outside and has an assigned territory and/or list of specified accounts. Counts as three quarters (.75) of a unit salesperson and most Account Salespeople should be counted as such.
- A management employee with total responsibility for assigned accounts in 2010 i.e. no territorial salesperson is compensated for these accounts, counts as one salesperson provided they have booked 50 trucks in 2009.
- A full-time telemarketing person assigned to equipment sales exclusively will count as one quarter (0.25) of a salesperson.

Aftermarket Salesperson Qualification

- A full-time Aftermarket Salesperson has no new truck responsibility, works outside and has an assigned territory and/or list of specified accounts. Counts as one salesperson.
- A part-time Aftermarket Salesperson has both new truck and aftermarket sales responsibilities, is compensated accordingly, works outside and has an assigned territory and/or list of specified accounts. Counts as one quarter (.25) of an Aftermarket Salesperson and most Account Salespeople should be counted as such.

DEALERS OF DISTINCTION

PAST ACHIEVERS SUMMARY

Dealer	Location	Years Award Won
Arnold	Utah	2006, 2007, 2008
Arnold / MHECO	Colorado	1999
Barloworld	Alabama	1994, 95, 96, 97, 98, 2000, 04, 05, 2006
Barloworld	Georgia	1994, 2004
Barloworld	South Carolina	1994, 96, 98, 1999, 2004, 2006, 2007
Equipco	Bridgeville, PA	2004, 2006
Iowa Machinery	Iowa	1997, 1998, 2004, 2005, 2006
Johnson Lift Hyster	Los Angeles	2004
MH Equipment	Illinois	1997, 1998, 1999, 2000, 2002, 2003, 2004
MH Equipment Co. (The Bode-Finn Co.)	Ohio South	1994, 1996
Modern Handling	New Jersey	1999, 2000
Papé Material Handling	Eugene	1994, 95, 96, 97, 98, 99, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2008
Papé Material Handling	Fremont, CA	1999, 2000
Papé Material Handling	Portland, OR	1994, 1995, 1996, 1997, 1999, 2002, 2003, 2004, 2005, 2006, 2008
Papé Material Handling	Sacramento, CA	1997, 1998, 1999, 2000, 2008
Papé Material Handling	Seattle, WA	1995, 96, 99, 2002, 04, 05, 2006, 2008
Papé Material Handling	Spokane, WA	1994, 95, 96, 97, 98, 99, 2000, 2002, 2003, 2004, 2005, 2006, 2007, 2008
Papé Material Handling	Central Washington	1994, 95, 96, 97, 98, 99, 2000, 2002, 2003, 2004, 2005, 2006, 2007, 2008
Sellers Equipment	Kansas	2008
VBS Inc., MHE	Richmond, VA	2003
Wajax Industries	Central	1996, 1997, 1998, 1999, 2000, 2002, 2003
Wajax Industries	East	1999, 2000
Wajax Industries	Prairie	1997, 1998

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