



Dealer of Distinction



STRONG PARTNERS. TOUGH TRUCKS.™

2011

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Effective January 1, 2011
Revised March 31, 2011

DEALER OF DISTINCTION

Dear Hyster Dealer Principals:

Together, we will address and work to overcome the challenges we face in 2011 and continue to successfully implement our business strategies.

Since 1994 the Dealer of Distinction program has been 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 2011 as we pursue our mutual goals.

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

Regards,



Bob Sattler
Vice-President Dealer Business Development

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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 2011 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, by the following deadline:

Reporting Period	Due Date
Jan – May 2011	June 15, 2011
Jan. - Dec. 2011	January 15, 2012

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:
 - Arnold Machinery – (4)
 - Barloworld – (4)
 - Johnson Lift – (2)
 - MH Equipment – (7)
 - Modern Handling – (2)
 - Papé Material Handling – (8)
 - Stewart & Stevenson – (2)
 - Wajax – (4)

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Recognition

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

Dealer of Merit – Minimum achievement of 12% Dealer Channel 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.

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Market Share

300 Points

Total Point Limitations: There are 500 potential points available in the Market Share Section. However this section has a Capped Limit of 300 Points.

Dealer Channel Market Share

200 Points

Dealer Base Booking M.S.	Points
20.0%+	200
17.0 - 19.99%	150
14.0 - 16.99%	100
12.0 – 13.99%	75

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

Dealer Channel Bookings: Number of dealer base retail bookings (without National Accounts) reported to ITA during the 2011 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 2011 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 2011 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 2011 calendar year for truck classes I, II, III, IV and V.

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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 2011 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 2011 calendar year for truck classes I, II, III, IV and V.

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Sales Management

200 Points

Total Point Limitations: There are 450 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

**Shipments
Coverage =**

Total Industry Retail

Number of Sales People

Total Industry Retail Shipments: Number of industry retail shipments reported to ITA as of December 31, 2011 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 2011. Refer to Appendix A for Salesperson definition.

DOD Information Source: Dealer – NMHG

Sales Certifications

100 Points

“Certified Sales Consultant” Award	Points
80%+ Truck Salespeople Certified	80

**Certified
Sales
Consultant %**

=

Certified Sales Consultants
Truck Salespeople

“Industry Exploration” Master Award	Points
20%+ Truck Salespeople Certified	20

**Master
Certification %**

=

Industry Master Certifications
Truck Salespeople

Certified Sales Consultants: Number of currently employed Salespeople that have earned the Certified Sales Consultant Award.

Industry Exploration Master Award: Number of currently employed Salespeople that have earned the Industry Exploration Master Award.

Truck Salespeople: Number of full-time and part-time new truck salespeople reported by the dealership at year-end 2011. Refer to Appendix A for Salesperson definition.

DOD Information Source: Dealer – NMHG Training Department

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Awareness

100 Points

Awareness	Points
50.0% +	100

$$\text{Awareness} = \frac{\text{Total Dealer Quotes}}{\text{Industry Retail Bookings}}$$

Total Industry Retail Bookings: Number of industry retail bookings reported to ITA during the 2011 calendar year for truck classes I, II, III, IV and V.

Total Dealer Quotes: Number of units in retail quotes recorded in eHero during the 2011 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

$$\text{Closure} = \frac{\text{Total Won}}{\text{Total Dealer Quotes}}$$

Total Won: Number of Hyster quotes recorded in eHero as “Won” during the 2011 calendar year for truck classes I, II, III, IV and V.

Total Dealer Quotes: Number of units in retail quotes recorded in eHero during the 2011 calendar year for truck classes I, II, III, IV & V.

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

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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 12/31/2011.

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).

DOD Information Source: NMHG Dealer Business Development

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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 500 ITA	75
1 per 550 ITA	50
1 per 600 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 2006-2010 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 2011. See Appendix A for definitions.

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

Total Aftermarket Purchases

75 Points

Objective	Points
Exceed REACH Goal	75
Exceed BASE Goal	50
Exceed 2010 Purchases	25

Total Aftermarket Purchases: Based on total Aftermarket Purchase Goals beginning January 1, 2011 and invoiced by December 31, 2011.

DOD Information Source: NMHG Aftermarket Department.

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Certified Technicians

100 Points

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

$$\frac{\% \text{ Technician Certifications}}{\text{Number of Technicians}} = \frac{\text{Technicians with a "Service" or Higher Certification}}{\text{Number of Technicians}}$$

Technicians with Certifications: Currently employed Technicians with a NMHG “Certified Service, Master Certified, Elite Certified or Certified Trainer” Award, count as one Certified Technician. Technicians with only a Maintenance Award do not count as a Certified Technician.

Number of Technicians: Number of technicians at year-end 2011 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

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

Hours Billed: Number of hours billed to retail and internal customers and warranty during the 2011 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 2011 calendar year. Paid hours include holidays, vacations, sick time etc.

DOD Information Source: Dealer

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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, 2011. 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, 2011. 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 NMHG short-term rental trucks during the 2011 calendar year. Fleet size reporting corresponds to the end of each calendar month. (Do not include units acquired as used or non-NMHG 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 Retail Goal Attainment Percentage	Points
100+%	100
90.0 - 99.99%	75
80.0% - 99.99%	50

$$\text{Financial Services Goal Attainment Percentage} = \frac{\text{NMHG-FS Retail Volume}}{\text{Aggregate Dealer Goal}}$$

Goal Attainment Percentage: Actual Retail Financial Retail Volume divided by the Aggregate NMHG-FS Goal. Monthly Scorecards reflect actual YTD Retail financing volumes and goals.

DOD Information Source: NMHG Financial Services

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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 2011 i.e. no territorial salesperson is compensated for these accounts, counts as one salesperson provided they have booked 50 trucks in 2010.
- A full-time telemarketing person or contracted prospecting service (e.g. Concept Services) Business Development Representative assigned exclusively to Equipment and Aftermarket Sales will count as one half (0.50) of a Truck 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.
- A full-time telemarketing person or contracted prospecting service (e.g. Concept Services) Business Development Representative assigned exclusively to Equipment and Aftermarket Sales will count as one half (0.50) of an Aftermarket Salesperson.

DEALERS OF DISTINCTION

PAST ACHIEVERS SUMMARY

Dealer	Location	Years Award Won
Arnold	Utah	2006, 2007, 2008, 2009, 2010
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
Deep South Equipment	Louisiana	2009
Equipco	Bridgeville, PA	2004, 2006, 2009, 2010
Johnson Lift	Los Angeles	2004
MH Equipment /Iowa Machinery	Iowa	1997, 1998, 2004, 2005, 2006, 2009, 2010
MH Equipment	Illinois	1997, 1998, 1999, 2000, 2002, 2003, 2004, 2006, 2009, 2010
MH Equipment Co. (The Bode-Finn Co.)	Ohio South	1994, 1996, 2010
Modern Handling	New Jersey	1999, 2000
Papé Material Handling	Eugene	1994, 95, 96, 97, 98, 99, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2008, 2009, 2010
Papé Material Handling	Fremont, CA	1999, 2000
Papé Material Handling	Fresno, CA	2010
Papé Material Handling	Portland, OR	1994, 1995, 1996, 1997, 1999, 2002, 2003, 2004, 2005, 2006, 2008, 2009, 2010
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, 2009, 2010
Papé Material Handling	Central Washington	1994, 95, 96, 97, 98, 99, 2000, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010
Sellers Equipment	Kansas	2008, 2009
VBS Inc.	Richmond, VA	2003
Wajax Industries	Central	1996, 1997, 1998, 1999, 2000, 2002, 2003
Wajax Industries	East	1999, 2000
Wajax Industries	Prairie	1997, 1998, 2010

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