Dealer of Distinction

HYSTER

2004

DEALER OF DISTINCTION

December 19, 2003

Dear Hyster Dealer Principals:

Let me begin by congratulating you, the dealer network as a whole, for a year filled with positive highlights. The 2003 calendar year has certainly provided us with many rewards. We also realize that it brought us several challenges as well. We at Hyster Company are looking forward to 2004 and the renewed sense of optimism that the New Year brings. We recognize many of you will be reviewing your businesses in the upcoming year in an effort to better exploit opportunities and to shed unnecessary liabilities. Hyster Company feels we are uniquely positioned to face these initiatives together.

It is our ability to work as a team that will continue to differentiate Hyster Company and the dealer organization as leaders in our industry. The Dealer of Distinction program has always been designed as a blueprint for success in addition to being a dealer recognition program. In the upcoming year we are expanding the breadth of the program to incorporate even more facets of your business and in doing so ensure dealer priorities as well as factory priorities are incorporated.

As we have stated in the past, “our mutual pursuit of excellence is what sets us apart from those who hope to emulate us”. By defining the goals and objectives needed to achieve the benchmarks outlined in the Dealer of Distinction program, we can achieve some amazing results and do so in a mutually rewarding manner.

Please accept our best wishes toward your team’s success in 2004. We look forward to your participation in the program.

Regards,
HYSTER COMPANY

David O’Dell
President, Hyster Company

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Program Overview

Introduction

Dealer of Distinction is both a blueprint for success and a dealer recognition program. It defines the basic business practices and performance standards necessary to develop and maintain a professional and successful Hyster dealership. Dealer of Distinction provides an objective process to identify Hyster's top performing dealers. Only the very best Hyster dealers earn Dealer of Distinction recognition.

Dealer of Distinction is a perpetual program with annual recognition on a calendar year basis. Success in any given year does not guarantee success in future years. Conversely, not achieving a specific recognition level in any given year does not preclude achieving a recognition level in future years. All dealers, whether they earn Dealer of Distinction recognition or not, will benefit from the Dealer of Distinction if they make a concerted effort to satisfy the criteria defined in this program. Any dealer, committed to excellence, can earn Dealer of Distinction recognition. Dealer of Distinction will evolve over time. Each year we will modify the program's criteria to reflect changing business conditions and practices, dealer feedback and higher performance standards.

All authorized Hyster dealers are expected to participate in the Dealer of Distinction program and are eligible to receive recognition.

Categories for Distinction

Dealer of Distinction does not attempt to address every business practice or performance standard within a dealership. Instead, it focuses on critical business areas that drive a dealership's long-term prosperity and growth. The criteria necessary to achieve performance excellence within each business area have been grouped into four categories. Their definitions appear on the following pages. Each definition includes the performance measurement and the number of points earned for achieving the stated measurement.

Criteria Category	Base Points	Bonus Points
General Management	1550	175
Truck Sales	1975	600
Short-term Rental	400	80
Aftermarket	1200	275
Total * (* If all periods are submitted on time and maximum bonus points are earned.)	5125	1130

Mid-Year Assessment

A mid-year assessment will be conducted to evaluate where dealers stand at the end of six months. The final submission determines which dealers earned recognition for 2004. All input is based on the calendar year 2004 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's regional management team and Hyster's marketing information systems. At the end of each reporting period, dealers and Hyster's regional management team are to submit their input to Hyster's Dealer Development Department by the following deadlines:

Reporting Period	Due Date
Jan. - June 2004	July 31, 2004
Jan. - Dec. 2004	February 2, 2005

Dealers may request an additional preliminary evaluation by contacting Hyster's Director, Dealer Development.

Special Provisions

- Dealer evaluations will generally match the dealerships as we report them 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 Director of Dealer Development and may vary depending on whether the purchased dealer will continue to operate as a separate reporting entity or be consolidated into the buying dealer for reporting purposes.
- Reporting dealers are as follows:
  - American Machinery
  - Arnold Machinery – (2)
  - Barloworld – (6)
  - Bohl Equipment
  - Deep South
  - Equipco
  - Great Lakes
  - Harvey
  - Hyster New England
  - Hyster Sales Co. – (7)
  - Johnson Lift
  - Liftech
  - McCall Handling
  - MEE Material Handling
  - MH Logistics – (5)
  - Material Handling Equipment Co.
  - Modern Handling – (2)
  - Pride Equipment
  - Quality Material Handling
  - RDO Material Handling – (2)
  - Stewart & Stevenson – (4)
  - Sellers Tractor
  - Shipping Utilities
  - United Lift
  - Van Keppel – (2)
  - VBS
  - Wajax – (4)

- Hyster recognizes that some dealers may have a specific national account that accounts for 25% or more of the trucks purchased in their territory. Hyster reserves the right to adjust that dealer's market share to reflect this account.

- Hyster Company reserves the right to amend or cancel this program as circumstances warrant and has final authority with respect to the interpretation of program rules or any other matter pertaining to the program.

Recognition

Recognition Level Minimum Requirements – All Must Be Met			
	Parts Objective	Total Retail Booking Market Share*	Required Points
Dealer of Distinction	100.0% 98.0%	19.0% 18.0%	3,900 4,400
Dealer of Honor	95.0%	14.0%	3,100
Dealer of Merit	92.0%	12.0%	2,300

* See Appendix A for Special Qualification rules

Dealer of Distinction Awards

- ✓ Dealer of Distinction Bronze Eagle
- ✓ Letter from Hyster for use by dealer with customers
- ✓ Award ceremony at a premier first class destination for the Dealer Principal and Spouse or guest.
- ✓ Management Staff Gift
- ✓ Advertised recognition in major industry publications
- ✓ Promotional items
- ✓ Logos for service vans and building windows
- ✓ Stickers for quotes and correspondence
- ✓ Arm patches for parts and service personnel
- ✓ Membership on the Dealer of Distinction Blue Ribbon Committee to design the 2006 Dealer of Distinction program.
- ✓ Dealers achieving Dealer of Distinction five times in a seven consecutive year period will receive the distinctive Dealer of Distinction ring

Dealer of Honor Awards

- ✓ Dealer of Honor Plaque
- ✓ Dealer Principal and Management staff will be honored at a local banquet hosted by Hyster to recognize the dealership

Dealer of Merit

- ✓ Dealer of Merit Plaque

General Management
Criteria Summary

Criterion	Points	Bonus Points
Return on Sales (Operating Profit)	300	125
Employee Development	250	50
Return on Assets	200	0
Debt to Equity	200	0
Target Account Marketing	100	0
Customer Satisfaction Index	100	0
Parts Turns	100	0
Parts Availability	100	0
Parts Obsolescence	100	0
Days Sales Outstanding (DSO)	100	0
Total	1550	175
Period Submission Penalty	-200	

Return on Sales 300 Points

Return on Sales	Points
4.1% - 5.0%	300
3.1% - 4.0%	200
2.1% - 3.0%	100
1.1% - 2.0%	50
< 1.0%	0

$$\text{Return on Sales} = \frac{\text{Total Sales} - \text{Total Expenses}}{\text{Total Sales}}$$

Bonus: 25 points for each full 1% increment above 5% up to 10%

Total Sales: Cumulative revenue for the following departments during the 2004 calendar year; Hyster new trucks, allied product, used trucks, rental, lift truck related training, parts and service.

Total Expenses: Cumulative costs for the following during the calendar year 2004; inventory (cost of goods sold), rental depreciation, rental interest, rental maintenance, personnel, operating expenses, occupancy expenses, other expense (income) and any interest expense not included in the above categories.

DOD Information Source: Dealer

Employee Development 250 Points

Sales Training 75 Points

Training Hours per Salesperson	Points
30.0 +	75
20.0 – 29.9	40
0.0% - 19.9	0

$$\text{Training hours/person} = \frac{\text{Total Training Hours}}{\text{Total Number of Salespeople}}$$

Bonus Points: 50 points- Dealership has implemented DPS principles, as it relates to call planning, call reports, and the presentation process, and sales manager(s) are formally utilizing the principle of DPS in evaluating salesperson's performance.

Total Training Hours: Total number of training hours provided to dealer equipment salespeople from Hyster sponsored or approved structured training programs during the 2004 calendar year. All training that is not sponsored by Hyster must be approved in writing by Hyster Dealer Development to qualify.

Total Number of Salespeople: Average monthly number of salespeople during the 2004 calendar year. Salesperson count corresponds to the end of the calendar month. (Appendix A)

DOD Information Source: Dealer, Dealer Development

Aftermarket Training 75 Points

Training Hours per Salesperson	Points
30.0 +	75
20.0 – 29.9	40

$$\text{Training Hours/Aftrmkt Salesperson} = \frac{\text{Total Training Hours}}{\text{Total Number of Aftermarket Salespeople}}$$

DOD Information Source: Dealer, Aftermarket Regional Manager

Total Training Hours: Total number of training hours provided to dealer aftermarket salespeople or technicians from Hyster sponsored or approved structured training programs including web-based distance learning programs during the program year. All training that is not sponsored by Hyster must be approved in writing by the Hyster Aftermarket Regional Manager or NMHG Technical Training to qualify.

Total Number of Aftermarket Salespeople: Average monthly number of aftermarket salespeople during the program year. Aftermarket salesperson count corresponds to the end of the calendar month. (Appendix A)

Service Training 100 Points

Service Training	Pts.
50% or more 25% - 49.9% These percentages are of the dealer's technicians participating in the Certech program by having achieved Elite status or completing at least one certification exam during the program year.	50 25
Training hours per technician equals 20 or more.	25
At least one dealership location has attained Certech Elite status.	25

$$\text{\% Techs participating} = \frac{\text{\# Techs w/1 test or Elite Status}}{\text{\# Techs}}$$

$$\text{Training Hrs/Tech} = \frac{\text{Total Training Hrs}}{\text{Total \# of Techs}}$$

DOD Information Source: Hyster, Dealer, Regional Aftermarket Managers

Percentage of Techs Participating: This is the number of technicians that have completed at least one test or have obtained Elite status divided by the total number of technicians in the dealership.

Training Hours per Tech: This is the total number of training hours provided to the technicians through Hyster training classes, distance learning programs, or other training approved in writing by the Aftermarket Regional Manager or Hyster's Technical Training Department. Types of acceptable training would include Allied Equipment such as batteries, chargers, attachments, and other training that aides the dealer in providing exceptional service to their customers. (If 10 technicians are in a training class for 2 hours, this represents 20 hours of total training.)

Total Number of Technicians: Monthly average number of technicians working for the dealership during the program year.

Return on Assets 200 Points

Return on Assets	Points
12.0%	200
9.0 – 11.9%	100
6.0 - 8.9%	50
3.5 – 5.9%	25

$$\text{Return on Assets} = \frac{\text{Net Income Before Taxes}}{\text{Total Assets}}$$

Return on Assets (ROA): This is the Net Income Before Taxes divided by Total Assets.

DOD Information Source: Dealer

Debt To Equity* 200 Points

Debt to Equity	Points
0.0 - 3.0	200
3.1 - 5.5	100

$$\text{Debt to Equity} = \frac{\text{Total Liabilities}}{\text{Total Net Worth}}$$

Total Liabilities: Total liabilities as of 12/31/04.

Net Worth: Total assets less total liabilities as of 12/31/04.

***NOTE:** In order to qualify for points in Debt to Equity, the most current year end financial statements for the dealership must have been submitted to NMHG Credit or Hyster Dealer Development.

DOD Information Source: Dealer

Target Account Marketing 100 Points

Dealership must have in place for all salespeople the "Target Account Development" process as outlined in Hyster's "Professional Sales Management Process" manual. At least two target accounts must have been developed for each new equipment and aftermarket salesperson. A list of target accounts by salesperson must be submitted to Hyster Dealer Development by the end of 2Q04.

DOD Information Source: Hyster, Dealer

Customer Satisfaction Program 100 Points

Criterion	Points
New Equipment Customer Satisfaction Dealer has an active equipment customer satisfaction program, produces a customer satisfaction index (CSI) rating and proactively implements actions to improve ratings on at least a quarterly basis during the 2004 calendar year..	15
Short-term Rental Customer Satisfaction Dealer has an active short-term rental customer satisfaction program, produces a customer satisfaction index (CSI) rating and proactively implements actions to improve ratings on at least a quarterly basis during the 2004 calendar year.	15
Parts Customer Satisfaction Dealer has an active parts customer satisfaction program, produces a customer satisfaction index (CSI) rating and proactively implements actions to improve ratings on at least a quarterly basis during the 2004 calendar year.	15
Service Customer Satisfaction Dealer has an active service customer satisfaction program, produces a customer satisfaction index (CSI) rating and proactively implements actions to improve ratings on at least a quarterly basis during the 2004 calendar year.	15
Customer Satisfaction Measurement & Management Program Dealer's average score for all 2004 reports under the Hyster CSM&M Program equals or exceeds a CSI Rating of 70. If the dealer's score for any report is below a CSI Rating of 70, dealer prepares and submits a written action plan addressing all areas of concern to Hyster Dealer Development within 2 weeks of the date of receiving the report.	40

DOD Information Source: Hyster Dealer Development, Dealer, And Regional Sales Managers

Parts Turns 100 Points

Parts Turns	Points
4.0+	100
3.0 – 3.9	50
< 3.0	0

$$\text{Parts Turns} = \frac{\text{Parts Cost of Goods Sold}}{\text{Average Parts Inventory}}$$

Parts Cost of Goods Sold: Your cost of the parts that you sold for the program year.

Average Parts Inventory: This is the average value of your inventory for the program year.

DOD Information Source: Dealer

Parts Availability (Fill Rate) 100 Points

Parts Availability	Points
≥ 85.0%	100
80.0% - 84.9%	50
< 80.0%	0

$$\text{Parts Availability} = \frac{\text{Parts Available from Shelf}}{\text{Parts Requested by Customer}}$$

Parts Available from Shelf – Parts available off the shelf at first pass (all parts)

Parts Requested by Customer: These are the parts the customers ordered during the year being measured.

DOD Information Source: Dealer

Parts Obsolescence 100 Points

Parts Obsolescence	Points
≤5%	100
> 5% - 10%	50
> 10%	0

$$\text{Parts Obsolescence} = \frac{\text{Non-moving Inventory cost}}{\text{Average Parts Inventory}}$$

Non-Moving Inventory Cost: Inventory cost of the parts that have not moved in 12 months or longer.

Average Parts Inventory: This is the average value of your inventory for the program year.

DOD Information Source: Dealer

Days Sales Outstanding (DSO)* 100 Points

Days Sales Outstanding	Points
≤ 45 Days	100
45.1 – 60 Days	50
> 60 Days	0

$$\text{DSO} = \frac{\text{Avg. Accounts Receivable}}{\text{Total External Sales}} \times 360$$

Days in Period: 360 days for the year

Average Accounts Receivable Balance: The average of the period ending accounts receivable balances on 12/31/03, 6/30/04 and 12/31/04. Dealers may submit the average of the month ending balances for each month during calendar 2004 instead of the above.

Total External Sales: Cumulative revenue from external sales for the following departments during the program calendar year; Hyster new trucks, allied product, used trucks, rental, parts and service.

***NOTE:** In order to qualify for points in Days Sales Outstanding, the most current year end financial statements for the dealership must have been submitted to NMHG Credit or Hyster Dealer Development.

DOD Information Source: Dealer

Period Submission Penalty **-200 Points**

A penalty of minus 200 points will be assessed if a dealer does not submit their DOD input on a timely basis. Any dealer failing to submit their complete final period data by February 7, 2005 will be disqualified from the program unless a submission extension is obtained from the Director, Dealer Development.

DOD Information Source: Hyster

Truck Sales
Criteria Summary

Criterion	Points	Bonus Points
Counterbalanced Truck Market Share - Retail Bookings	250	100
Counterbalanced Truck Market Share - Retail Shipments	250	100
Warehouse Truck Market Share – Retail Bookings	250	100
Warehouse Truck Market Share – Retail Shipments	250	100
Total Truck Market Share - Retail Bookings	250	100
Total Truck Market Share - Retail Shipments	250	100
Fleet	200	0
Financial Merchandising	125	0
New Truck Coverage	100	0
Competitor Market Share Analysis	50	0
Total	1975	600

Counterbalanced Truck Market Share

Retail Bookings 250 Points

Counterbalanced Truck Market Share	Points
≥ 19.0%	250
15.5% - 18.9%	200
14.0% - 15.4%	100
< 14.0%	0

Market Share Bonus Points	
Share	Points
19.1 – 30.0%	25
30.1 – 50.0%	50
50.1 – 75.0%	75
75.1 – 100%	100

Bonus Points are not cumulative. You receive only the points that match up to the range your market share is in.

$$\textbf{Market Share (I, IV, \& V)} = \frac{\textbf{Hyster Retail Bookings (I, IV, \& V)}}{\textbf{Industry Retail Bookings (I, IV, \& V)}}$$

Hyster Counterbalanced Retail Bookings: Number of Hyster retail bookings reported to ITA during the 2004 calendar year for truck classes I, IV and V.

Industry Counterbalanced Retail Bookings: Number of industry retail bookings reported to ITA during the 2004 calendar year for truck classes I, IV and V.

DOD Information Source: Hyster.

Counterbalanced Truck Market Share

Retail Shipments 250 Points

Counterbalanced Truck Market Share	Points
19.0%+	250
15.5% - 18.9%	200
14.0% - 15.4%	100
< 14.0%	0

Market Share Bonus Points	
Share	Points
19.1 – 30.0%	25
30.1 – 50.0%	50
50.1 – 75.0%	75
75.1 – 100%	100

For Bonus Points you receive only the points that match up to the range your market share is in.

$$\text{Market Share (I, IV, \& V)} = \frac{\text{Hyster Retail Shipments (I, IV, \& V)}}{\text{Industry Retail Shipments (I, IV, \& V)}}$$

Counterbalanced Hyster Retail Shipments: Number of Hyster retail shipments reported to ITA during the 2004 calendar year for truck classes I, IV and V.

Industry Counterbalanced Retail Shipments: Number of industry retail shipments reported to ITA during the 2004 calendar year for truck classes I, IV and V.

DOD Information Source: Hyster.

Warehouse Truck Market Share

Retail Bookings 250 Points

Warehouse Truck Market Share	Points
9.0%	250
7.0 – 8.9%	200
6.0 – 6.9%	100
< 6.0%	0

Market Share Bonus Points	
Share	Points
9.1 – 15%	25
15.1 – 30%	50
30.1 – 60%	75
60.1 – 100.0%	100

For Bonus Points you receive only the points that match up to the range your market share is in.

$$\text{Market Share} = \text{(II \& III)} \quad \frac{\text{Hyster Retail Bookings (II \& III)}}{\text{Industry Retail Bookings (II \& III)}}$$

Hyster Warehouse Truck Retail Bookings: Number of Hyster retail bookings reported to ITA during the 2004 calendar year for truck classes II and III.

Industry Warehouse Truck Retail Bookings: Number of industry retail bookings reported to ITA during the 2004 calendar year for truck classes II and III.

DOD Information Source: Hyster.

Warehouse Truck Market Share

Retail Shipments 250 Points

Warehouse Truck Market Share	Points
9.0%	250
7.0 – 8.9%	200
6.0 – 6.9%	100
< 6.0%	0

Market Share Bonus Points	
Share	Points
9.1 – 15%	25
15.1 – 30%	50
30.1 – 60%	75
60.1 – 100.0%	100

For Bonus Points you receive only the points that match up to the range your market share is in.

$$\text{Market Share (II \& III)} = \frac{\text{Hyster Retail Shipments (II \& III)}}{\text{Industry Retail Shipments (II \& III)}}$$

Hyster Warehouse Truck Retail Shipments: Number of Hyster retail bookings reported to ITA during the 2004 calendar year for truck classes II and III.

Industry Warehouse Truck Retail Shipments: Number of industry retail bookings reported to ITA during the 2004 calendar year for truck classes II and III.

DOD Information Source: Hyster.

Total Truck Market Share

Retail Bookings 250 Points

Total Market Share	Points
18.0%+	250
16.0% - 17.9%	200
14.0% - 15.9%	100
< 14.0%	0

Market Share Bonus Points	
Share	Points
18.1 – 30.0%	25
30.1 – 50.0%	50
50.1 – 75.0%	75
75.1 – 100.0%	100

For Bonus Points you receive only the points that match up to the range your market share is in.

$$\text{Market Share (All Classes)} = \frac{\text{Total Hyster Retail Bookings (All Classes)}}{\text{Industry Retail Bookings (All Classes)}}$$

Total Hyster Retail Bookings: Number of Hyster retail bookings reported to ITA during the 2004 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 2004 calendar year for truck classes I, II, III, IV and V.

DOD Information Source: Hyster.

Total Truck Market Share

Retail Shipments 250 Points

Total Market Share	Points
18.0%+	250
16.0% - 17.9%	200
14.0% - 15.9%	100
< 14.0%	0

Market Share Bonus Points	
Share	Points
18.1 – 30.0%	25
30.1 – 50.0%	50
50.1 – 75.0%	75
75.1 – 100.0%	100

For Bonus Points you receive only the points that match up to the range your market share is in.

$$\text{Market Share (All Classes)} = \frac{\text{Total Hyster Retail Shipments (All Classes)}}{\text{Total Industry Retail Shipments (All Classes)}}$$

Total Hyster Retail Shipments: Number of Hyster retail shipments reported to ITA during the 2004 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 2004 calendar year for truck classes I, II, III, IV and V.

DOD Information Source: Hyster.

Fleet 200 Points

Fleet Program	Points
Fleet Program Seminar	100
Fleet Reporting	50
Fleet Management Implementation	50

Fleet Program Seminar: Dealership individually or in conjunction with another dealer(s) or Hyster, hosted a Hyster Fleet Customer Seminar during 2004. All seminars must be coordinated with the Hyster Fleet Department in advance, even if Hyster will not be presenting.

Fleet Reporting: Dealership provides timely reporting of all requested details of service work performed, listing information by truck for all units, under HYSTER FLEET contract as requested.

Fleet Management Implementation: Dealership has completed the following and has provided appropriate documentation to the Hyster Fleet Department:

- ✓ Developed a list of target fleet accounts for 2004 and provided to Hyster Fleet by March 31, 2004.
- ✓ Assigned sales persons to the identified target fleet accounts and provide this list to Hyster Fleet by March 31, 2004
- ✓ Completed a fleet proposal to at least 25% of the targeted accounts, with copy of Fleet proposal sent to Hyster Fleet by December 31, 2004.
- ✓ Assigned a person(s) to be the contact for Fleet Sales and Fleet Operations, for your dealership, notified Hyster Fleet by March 31, 2004, and noted such persons in D3.

DOD Information Source: Dealer and Hyster Fleet Dept

Financial Merchandising 125 Points

Hyster Capital Market Share	Points
80.0% +	125
65.1% - 79.9%	85
50.1% - 65.0%	50
0.0% - 49.9%	0

Hyster Capital Market Share Percentage is the percentage reported by Hyster Capital.

DOD Information Source: Hyster

New Truck Coverage 100 Points

Truck Coverage	Points
1.0 - 275.0	100
275.1 - 299.9	50
300.0 - 325.0	25
325.1 +	0

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

Total Industry Retail Shipments: Number of industry retail shipments reported to ITA as of December 31, 2004 for truck classes I, II, III, IV and V. An adjustment will be made for dealers acquiring new territories. See Special Provisions section in Program Overview for details.

Number of Salespeople: Number of Hyster qualified full-time and part-time new truck salespeople at year-end 2004. Refer to Appendix A for sales person count definition.

DOD Information Source: Hyster

Competitor Market Share Analysis 50 Points

Dealer generates and provides to Hyster, as part of the 2004 Dealer Marketing Plan, 2003 market shares by competitor by the five truck classes. Hyster V.P. Sales Counterbalanced and Warehouse Products will review for reasonableness.

DOD Information Source: Dealer, Hyster

Short-Term Rental (STR)
Criteria Summary

Criterion	Points	Bonus Points
Short-term Rental Market Share	150	80
Short-term Rental Dollar Utilization	100	0
Short-term Rental Time Utilization	100	0
Short-term Rental Fleet Age	50	0
Total	400	80

Short-Term Rental Market Share 150 Points

Rental Market Share	Points
20.0%+	150
16.0% - 19.9%	100
14.5% - 15.9%	50
0.0% - 14.4%	0

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

Bonus: 1 point for each full 1% increment above 20%.

Fleet Size: Monthly average number of Hyster short-term rental trucks during the 2004 calendar year. Fleet size reporting corresponds to the end of each calendar month. (Do not include 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: Short-term rental fleet size - Dealer, Short-term rental market - Hyster.

Short-Term Rental - Dollar Utilization 100 Points

Dollar Utilization	Points
85.1% +	25
75.0% - 85%	50
68.0% – 74.9%	100
64.0% - 67.9%	50
60.0% - 63.9%	25
0.0% - 59.9%	0

$$\textbf{Dollar Utilization} = \frac{\textbf{Total Hyster Rental Billings (\$)}}{\textbf{Potential Rental Billings (\$)}}$$

Rental billings ($): This represents total rental billings during the 2004 calendar year for truck classes I, II, III, IV and V. The figures should be totaled monthly and the 12 monthly figures summed for the year-end total.

Potential billings ($): These are the realistic or expected monthly rental rate of each model multiplied by the number of trucks of each model in the fleet. These figures should be calculated monthly and the 12 monthly figures summed for the year-end total.

DOD Information Source: Dealer

Short-Term Rental - Time Utilization   100 Points

Time Utilization	Points
90.01% +	25
85.0% - 90.0%	50
77.6% - 84.9%	100
70.0% - 77.5%	50
65.0% - 69.9%	25
0.0% - 64.9%	0

$$\text{Time Utilization} = \frac{\text{Total Days Units Rented}}{\text{Total Days Available for Rent}}$$

Time Utilization: This is the true measure of how much the fleet is working, whether on rent, used as a free loaner, or used as a demonstration machine to a customer. This is the comparison of how many days a unit is on rent (out working) versus the available days in the period being measured.

Days Rented: Count each day that a unit is out on rent, demo, or as a loaner. This is a count of the actual days a unit is out working. Count only normal workdays – Monday through Friday.

Days Available for Rent: Count each day that a unit is in your rental fleet and available to be rented. This includes every day even if the unit is down for repair. It is still technically available for rent. If a unit is added to the fleet during a month, then it would be available for rent for each day in the month that it is actually in the rental fleet that first month.

DOD Information Source: Dealer

Short-Term Rental Fleet Age 50 Points

Age in Months	Points
0.0 - 18.0	0
18.1 - 30.0	25
30.1 - 39.9	50
40.0 - 54.0	25
54.1 - 60.0	0

$$\text{Average Fleet Age} = \frac{\text{Total Age of Fleet in Months}}{\text{Total Number of Trucks in Fleet}}$$

Short Term Rental Fleet Age: This is the average age in months of all Hyster lift trucks in the short-term rental fleet at year-end 2004. Age is calculated from the year of manufacture, not when the truck was put into the short-term rental fleet.

DOD Information Source: Dealer

Aftermarket
Criteria Summary

Criterion	Points	Bonus Points
MatchPlay 2010 Objective	150	100
Total Parts Purchase Objective	125	100
Challenge to the Leader (CTTL)	125	0
Technician Ratio	125	0
Stock Order Percentage	100	0
Service Market Share	100	0
Service Productivity Ratio (Application Rate)	100	25
Effective Service Billing Rate	100	50
Aftermarket Coverage	75	0
Hyster Periodic Maintenance Contract Share	75	0
Competitive Periodic Maintenance Contract Share	75	0
Technician Growth	50	0
Total	1200	275

MatchPlay 2010 Purchase Objective 150 Points

Achieve	Points
100.0%	150
95.0% - 99.9%	100
90.0% - 94.9%	75
85.0% - 89.9%	50
0.0% - 84.9%	0

$$\textbf{MatchPlay 2010 Achievement} = \frac{\textbf{MatchPlay 2010 - 2004 Purchaqses}}{\textbf{MatchPlay 2010 – 2004 Objective}}$$

Bonus Points – 5 Bonus Points for each percentage points over 100% to a maximum of 100 Bonus Points

Total MatchPlay 2010 Purchases ($): Dollar value at dealer net of all Unisource/SMH All-Makes Parts, Unisource Accessory, and Unisource GNB/Enersys industrial battery and charger program purchases (shipments), less credits and returns during the 2004 calendar year.

MatchPlay 2010 Objective: Dollar amount specified in MatchPlay 2010 for 2004. MatchPlay 2010 purchase objective includes all Unisource Accessory, Unisource Unique parts and Hyster sponsored industrial battery and charger program purchases.

DOD Information Source: Hyster

Total Parts Purchase Objective 125 Points

(You Make It Happen)

% of Objective*	Points
100.0%+	125
95.0% - 99.9%	100
90.0% - 94.9%	75
85.0% - 89.9%	50
80.0% - 84.9%	25
0.0% - 79.9%	0

$$\textbf{\% of Parts Objective} = \frac{\textbf{Total Dealer Parts Purchases}}{\textbf{Parts Objective}}$$

Bonus Points – 5 Bonus Points for each percentage points over 100% to a maximum of 100 Bonus Points

Total Parts Purchases ($): Dollar value at dealer net of all Hyster, Unisource/SMH All-Makes Parts, Unisource Accessory, and Unisource GNB/Enersys industrial battery and charger purchases program (shipments), less credits and returns during the 2004 calendar year.

Hyster Total Parts Objective: Total dollar amount specified by Hyster Co. for 2004.

*Note: An economic adjustment will be made to the total parts purchase objective if the total ITA Market has moved by more than 10% from the planned annual level. The detailed adjustment will be made by individual dealer using the actual ITA market size for their territory versus the planned level.

DOD Information Source: Hyster.

Challenge to the Leader 125 Points

(Unisource Tier Objective)

Tier Level	Points
Tier III	125
Tier II	100

Challenge to the Leader (CTTL) Objective: Challenge to the Leader goals are set by Hyster. Tier II is the base objective and Tier III is a 50% uplift from Tier II. Parts sales within this category include All Makes, Accessories and Reman.

DOD Information Source: Hyster

Technician Ratio 125 Points

Technician Ratio	Points
	75
43.0% - 44.9%	50
38.0% - 42.9%	25
00.0% - 37.9%	0

$$\textbf{Technician Ratio} = \frac{\textbf{Total \# of Technicians}}{\textbf{Total Number of Dealership Head Count}}$$

Number of Technicians: Service, rental and used equipment department technician head count as of December 31, 2003. To qualify as a technician, the individual's time must be billable at least 50% of the time to internal or external customers.

Total Dealership Employee Head Count: Total head count of full and part time employees (including leased or contract employees) as of December 31, 2003. Part time employees should be counted as ½ of an employee.

DOD Information Source: Dealer

Stock Order Percentage 100 Points

Stock, FAST, & Value Link	Points
75.0%+	100
70.0% - 74.9%	50
65.0% - 69.9%	25
0.0% - 64.9%	0

$$\text{Stock Order \%} = \frac{\text{Stock Order Dollars}}{\text{Total Part Order Dollars}}$$

Hyster and Unisource stock as reported by the OASIS system.

DOD Information Source: Hyster

Service Market Share 100 Points

Service Market Share	Points
15.0%+	100
10.0% - 14.9%	75
5.0% - 9.9%	50
2.0% - 4.9%	25
0.0% - 1.9%	0

$$\text{Service Market Share} = \frac{\text{Total Hours Billed}}{\text{Potential Industry Labor Hours}}$$

Total Hours Billed ($): Number of hours billed to retail customers, internal customers and warranty during the 2004 calendar year. Internal hours billed should not include lost time hours billed internally for such items as van or shop maintenance, re-work, training, clean-up, etc.

Potential Industry Labor Hours: Number of projected labor hours based on 10 year total of industry retail shipments reported to ITA for 1994 through 2003 for truck classes I, II, III, IV and V. (Appendix A).

DOD Information Source: Total hours billed - Dealer, Potential labor hours - Hyster.

Service Productivity Rate 100 Points

(Application Rate)

Productivity Ratio	Points
85.0%+	100
80.0% - 84.9%	75
75.0% - 79.9%	50
0.0% - 74.9%	0

$$\textbf{Productivity Rate} = \frac{\textbf{\# Hours Billed}}{\textbf{\# Hours Paid}}$$

Bonus: 5 points for each full 1% increment above 85% up to 90%.

Hours Billed: Number of hours billed to retail and internal customers, and warranty during the 2004 calendar year. Internal hours billed should not include lost time hours if billed internally for such things as van or shop maintenance, rework, training, clean-up, etc.

Hours Paid: Number of hours paid to technicians during the 2004 calendar year.

DOD Information Source: Dealer.

Effective Service Billing Rate — 100 Points

(As a percent of the published billing rate)

Percent of Published Rate	Points
90.0%+	100
80.0% - 89.9%	75
75.0% - 79.9%	50
0.0% - 74.9%	0

$$\text{Effective Service Billing Rate} = \frac{\text{Total Retail Customer Billings}}{\text{Total Retail Hours Billed}}$$

$$\text{\% of Published Rate} = \frac{\text{Effective Billing Rate}}{\text{Published Billing Rate}}$$

Bonus: 5 points for each full 1% increment above 90% up to 100%

Effective Hourly Rate: Total retail customer billings during the 2004 calendar year, divided by total hours billed to retail customers during the 2004 calendar year.

Published Hourly Rate: Average monthly-published rate used for warranty reimbursement during the 2004 calendar year.

DOD Information Source: Effective hourly rate - Dealer, Published hourly rate - Hyster.

Aftermarket Coverage — 75 Points

Aftermarket Coverage	Points
000.0 - 400.0	75
400.1 - 500.0	50
500.1 - 600.0	25
600.1 +	0

$$\text{Aftermarket Coverage} = \frac{\text{5 Yr. Average Industry Retail Shipments}}{\text{Number of Sales People}}$$

(Coverage Objective is 1:1 up to 1.5:1 Aftermarket to Equipment sales people)

Industry Retail Shipments: Average annual number of industry retail shipments reported to ITA during the five calendar years 2000-2004 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 2004. (Appendix A).

DOD Information Source: Aftermarket salespeople - Dealer, Industry shipments - Hyster.

Hyster PM Contract Share 75 Points

PM Truck Share	Points
50.0%	75
35.0% - 49.9%	40
25.0% - 34.9%	15
0.0% - 24.9%	0

$$\text{PM Truck Share} = \frac{\text{\# Hyster Trucks on PM Contract}}{\text{Hyster Rider Truck Retail Shipment}}$$

Hyster PM Truck Contracts: Number of new Hyster truck installations sold with a periodic maintenance contract during the 2004 calendar year for truck classes I, II, IV and V. Full maintenance and long-term rental contracts also count as Hyster PM Truck contracts.

Rider Hyster (Customer) Retail Shipments: Number of Hyster retail shipments less any short-term rental retail shipments reported to ITA during the program calendar year for truck classes I, II, IV and V.

DOD Information Source: PM contracts - Dealer, Hyster customer retail shipments - Hyster.

Competitive PM Contract Share 75 Points

Contract Share	Points
5.0%+	75
3.0% - 4.9%	45
1.5% - 2.9%	15
0.0% - 1.4 %	0

$$\text{Comp. PM Share} = \frac{\text{\# Comp. Trks on PM Contract}}{\text{Competitive Population}}$$

Competitive PM Trucks: Total number of competitive trucks covered by an active periodic maintenance contract.

Competitive Population: 10 year total of industry retail shipments less 10 year total of Hyster retail shipments as reported to ITA from 1994 through 2003 for truck classes I, II, IV and V.

DOD Information Source: Competitive PM contracts - Dealer, Competitive retail shipments - Hyster.

Technician Growth 50 Points

Technician Ratio	Points
1.10+	50
1.05 - 1.099	25
1.02 - 1.049	10
< 1.019	0

$$\text{Technician Growth} = \frac{\text{\# Techs 12/31/04}}{\text{\# Techs 12/31/03}}$$

This is a comparison of the number of technicians as of December 31, 2003 and 2004. Technician is defined as in Technician Ratio above.

DOD Information Source: Dealer

Appendix A

Special Qualification Rule

- Dealers who have an ITA industry that represents 3% or more of the National ITA industry (Mega ITA Dealers) must achieve 15% Total Retail Booking Market Share, 100% of their Parts Objective and 3900 points or 14.5% Market Share, 98% of their Parts Objective and 4400 points to qualify for Dealer of Distinction.
- Dealer of Honor and Dealer of Merit qualification requirements are not changed.
- If a Mega ITA Dealer has a large account removed from consideration in their territory (as per the first bullet on page 7), this account will also be removed from their ITA numbers. If this adjustment drops their ITA industry below the 3% level, then that dealer must achieve the programs standard requirements for qualification.
- Hyster Company has final authority over the administration of the Special Qualification Rule.

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 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 salesperson.
- A management employee with total responsibility for assigned accounts in 2004, i.e., no territorial salesperson is compensated for these accounts, counts as one salesperson, but only if they have booked 75 trucks or more in 2003. Management employees, under the same aforementioned circumstances, count as one half (0.5) if they booked more than 25 trucks in 2003.
- A full-time telemarketing person assigned to equipment sales exclusively will count as one half (0.5) 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 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 a salesperson.

Potential Industry Labor Hours

Potential industry labor hours are determined by multiplying the labor hour factors in the following table by the ITA retail shipment history for each class and age category.

Labor Hours Factors	
Truck Class	Potential Hours Per Truck Per Year
I	23.95 hrs.
II	25.12 hrs.
III	15.66 hrs.
IV	28.46 hrs.
V	29.04 hrs.

Appendix B

DEALERS OF DISTINCTION

PAST WINNER SUMMARY

Dealer	Location	Years Award Won
Barloworld	Alabama	1994, 1995, 1996, 1997, 1998, 2000
Barloworld	Georgia	1994
Barloworld	South Carolina	1994, 1996, 1998, 1999
MH Equipment Co. (The Bode-Finn Co.)	Ohio South	1994, 1996
Hyster Sales Co.	Eugene	1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002
Hyster Sales Co.	Fremont	1999, 2000
Hyster Sales Co.	Portland	1994, 1995, 1996, 1997, 1999, 2002
Hyster Sales Co.	Sacramento	1997, 1998, 1999, 2000
Hyster Sales Co.	Seattle	1995, 1996, 1999, 2002
Hyster Sales Co.	Spokane	1994, 1995, 1996, 1997, 1998, 1999, 2000
Hyster Sales Co.	Yakima	1994, 1995, 1996, 1997, 1998, 1999, 2000, 2002
Iowa Machinery	Iowa	1997, 1998
MH Equipment	Illinois	1997, 1998, 1999, 2000, 2002
Materials Handling Equipment Co.	Colorado	1999
Modern Handling	New Jersey	1999, 2000
Pride Equipment	Long Island	1996, 1997, 1998
Wajax Industries	Central	1996, 1997, 1998, 1999, 2000, 2002
Wajax Industries	East	1999, 2000
Wajax Industries	Prairie	1997, 1998

Appendix C

Planned location of Dealer's current year plan as developed for Hyster Co.

Appendix D

Planned location for current year ITA Reports as issued by Hyster Co.