

Dealer Inventory Pool Program

An Important Program Announcement from Hyster Company – Greenville, North Carolina.



Date:
June 20, 2006

To:
Hyster Dealer Principals
and Sales Managers

cc:
Hyster President's Staff,
Regional Sales Mgrs,
Dealer Development
Business Managers

From:
Scott A. Alexander
VP, Dealer Development



As mentioned earlier this month, Hyster Company is pleased to announce that on July 1, 2006 we will introduce the Hyster Dealer Inventory Pool Program. The program, once it reaches maturity, is designed to provide participating Hyster Dealers with quick access to over 800 units to service their customers' needs, as well as provide the additional benefits this initiative offers:

- Improved Market Share and Profit Opportunities
- Improved Availability
- Improved Inventory Utilization
- Minimized Freight and Storage Costs
- Increased Breadth of Stock
- Reduced Loaner Costs

There will be a teleconference on Thursday, June 22, 2006 at 4:00 pm EST, to discuss the program material and to answer any questions you may have.

To participate in this call, please dial **1-877-336-1839**.
Participant code: 9628413.

The funding of this program, as agreed to by the Hyster Dealer Network, will be \$15.00 per unit for all units sold. This charge will support the associated cost for this program and automatically engage all Hyster Dealers.

Participation in the program requires each Dealer to establish a wholesale line with Hyster Capital, sign the Hyster Dealer Pool Participation enrollment form, and sign the Dealer Pool Participation Agreement.

It is our intention to work with each Dealer, via their Regional Sales Manager, to ensure product availability matches market opportunity. I believe this will create a competitive advantage in the market place that will benefit both Hyster and the Hyster Dealer Network, while incorporating an additional marketing tool to increase your customer base. I hope you share the same excitement I have in the implementation of this valuable new program.

If you have any questions, please contact your Regional Sales Manager.

Thank you for your support.

Regards,

Hyster Company

Scott A. Alexander
Vice-President, Dealer Development
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Dealer Inventory Pool Program

Program Details

1. Program effective July 1, 2006.
2. To participate, each Dealer must:
 - a. Have an established wholesale line of credit with Hyster Capital.
 - b. Sign the Hyster Dealer Pool Participation enrollment form.
 - c. Sign the Dealer Pool Participation Agreement.
3. Hyster Company will manage the Dealer Inventory Pool Program.
4. Product Supply will manage the physical pool by:
 - Releasing units, and
 - Facilitating billing and adjustments.
5. Each Dealership will identify two (2) Dealer contacts for D3 notification purposes.
 - a. It is the responsibility of the Dealer Pool Administrator to:
 - Maintain adequate stocking levels, and
 - Maintain adequate pool levels.
6. Both Dealer Principals and Pool Administrators will be notified when stocking deficits are identified.
7. Dealer order surcharge will be \$15 per unit to cover the Pool Program cost.
8. A storage fee of \$75 will be incurred for inventory remaining in the pool between days 91-180 and interest billing will begin.
9. After 180 days, inventory remaining in the pool will be shipped to the ordering dealer.
10. All standard policies and procedures apply.
11. Specifications cannot be changed on pool orders.
12. W40Z product counts toward stocking level, but cannot be designated as pool.

Acquiring a unit from the Pool Inventory

1. Dealer will identify need for pool unit.
2. Dealer will request pool truck through Contact Management. Request will go directly to Hyster Pool Coordinator (HPC).
3. The HPC will request unit from ordering Dealer.
4. Ordering Dealer will have 48 hours to decide whether to keep or relinquish requested unit.
 - If ordering Dealer keeps unit
 - Unit will revert to a standard stock order and will be shipped and invoiced to ordering Dealer.
 - If ordering Dealer relinquishes unit:
 - HPC will change order to reflect new Dealer if machine is "on order", or
 - Assist in procuring an invoice from ordering Dealer and purchase order from requesting Dealer, if machine is physically in the pool.
5. Upon shipment of identified unit, ordering Dealer may order a replacement unit or allow Product Supply to re-enter an identical order.



Improve Retail
Availability,
Beat the
Competition,
Participate in
the Hyster
Dealer
Inventory Pool
Program.

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HYSTER COMPANY

Americas Division

Frequently Asked Questions

Q. How do Dealers qualify to participate in the Inventory Pool Program?

A. Participating Dealers must meet or exceed their Stock Targets. Additionally, Pool Dealers must maintain 25% of their On-Order or TNT-Logistics stored inventory designated as Dealer Inventory Pool Units and execute a Pool Participation Agreement.

Q. Can multiple truck orders be specified for the Dealer Inventory Pool?

A. No, only single truck orders can be placed for the Dealer Inventory Pool.

Q. Can sales options be changed on Dealer Inventory Pool units?

A. Not unless an error is recognized by the original ordering Dealer, within the standard Product Supply order change timeframe.

Q. How do we identify if there is a Dealer Inventory Pool unit available to fill a customer requirement?

A. The AS400 Truck Locator programs identify all Dealer stock orders and every sales option. Once the overall specifications are deemed acceptable, you send an email to Product Supply requesting the order be transferred to your Dealership.

Q. Are all Dealer Inventory Pool trucks available for immediate shipment?

A. Pool units are either on-order (still being manufactured), or on-hand (Cleared-To-Ship), and stored in the TNT Logistics warehouse. The ordering Dealer has 48 hours (two work days) to relinquish the pool order to a requesting Dealer. Relinquished units are shipped with the next outgoing load.

Q. How long do we have to wait for confirmation that the Pool Truck will be released to our Dealership?

A. The Dealer ordering the pool unit has 48 hours (two working days - hopefully quicker) to relinquish the unit to the requesting Dealer.

Q. What happens if the Dealer will not relinquish the requested unit?

A. You can identify and request another unit that will meet your requirement. The pool unit that would not be relinquished has the shipping information adjusted, is shipped with the first available load and removed from the Dealer Inventory Pool.

Q. If there are multiple orders that meet my criteria, can I request Product Supply to question all of the pool inventory owners?

A. A maximum of two pool truck ordering Dealers can be checked at one time for each individual requirement.

Q. What happens if the Dealer does relinquish the requested pool unit?

A. The Hyster Pool Coordinator will change order to reflect new Dealer if machine is "on order", or assist in procuring an invoice from ordering Dealer and purchase order from requesting Dealer, if machine is physically in the pool.

Q. What happens when I relinquish a requested pool unit to another Dealer?

A. In similar fashion, the Hyster Pool Coordinator will change order to reflect new Dealer if "on order", or assist in procuring an invoice from ordering Dealer and purchase order from requesting Dealer, if physically in the pool.

Frequently Asked Questions

- Q. Can I convert normal stock on order units to Dealer Inventory Pool orders?**
A. Only during the initial program start-up period or if your Dealership falls below the 25% Pool Participation level.
- Q. Are there special terms or conditions for Dealer Inventory Pool Orders?**
A. All standard terms and conditions apply except units will be stored in TNT warehouses for up to 180 days per program details.
- Q. If a truck has been in the Dealer Inventory Pool for 89 days and then relinquished to another Dealer, will the ordering Dealer still be entitled to the 45 day customer invoicing terms or 1% - 10 day payment discount?**
A. No, the original ordering Dealer will receive up to the 89 days interest free. The second Dealer may use customer floor plan, but will be charged interest by NMHG Financial Services from the first day the unit is moved to the second Dealer's account.
- Q. How can we obtain Special Pricing on a Dealer Inventory Pool Truck?**
A. For Pool trucks that have not been invoiced, Special Pricing authorizations can be supplemented to the truck order by Product Supply. For trucks already invoiced, Elaine Bell will arrange for a credit to be issued.
- Q. How can I determine if any of the On-Hand or On-Order inventory meets our requirement?**
A. The AS-400 Truck Locator System and the Stock Locator, available through the Digital Dealer web portal, allow for searching stock and pool units including up to seven option selections.
- Q. If we know that another Dealer has a unit that we require, why can't we contact that Dealer directly?**
A. You can contact that Dealer and obtain their pool unit release directly. A copy of the ordering Dealer's release and your Purchase Order should be emailed to the Product Supply Coordinator to arrange the reassignment of the Pool Unit. Direct Dealer-to-Dealer contact should also be used to obtain customer requirements for non-pool Dealer stock trucks.
- Q. Who is responsible to pay the \$75 Extended Storage Charge (in storage 91-180 days) for units that are relinquished to another Dealer?**
A. The original ordering Dealer is billed separately for the \$75 Extended Storage Charge and is responsible for payment.
- Q. Do W40Z machines apply?**
A. They count toward your stock targets, but cannot be placed in the "pool".
- Q. Can Nijmegen product be placed in the pool program?**
A. No. Not at initial program release.