



April 3, 2002

Attention: All Hyster Dealerships

Subject: UNISOURCE / SMH Strategic Partnership – “GO LIVE” Date

We are pleased to inform you that the many activities necessary to successfully launch this program are progressing well and that May 6, 2002 will be our “GO LIVE” date.

Since we initially announced our long-term strategic relationship with SMH thirty days ago, many questions have surfaced and this communication is intended to provide answers to these questions.

Should you have any additional questions after you have reviewed this information, please feel free to contact either your Regional Aftermarket Sales Manager, David Jarr at aadjarr@nmhg.com (252/931-5689) or myself at ahgbates@hyster.com (252/931-5690).

To keep your business planning in-step with our progress with SMH, it will be important for you to continue to look for related announcements over the next several weeks. Additionally, going to www.hyster.com and clicking on “SMH Strategic Alliance” will find a copy of this announcement and all prior communications.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary M. Bates". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gary Bates
Director, Aftermarket Sales
Hyster Company

SMH Strategic Relationship - Questions and Answers

Q 1.) How many part number crosses does SMH currently provide, what brands of lift trucks do they cover, and where are their distribution centers?

SMH currently offers over 250,000 replacement parts for over 3,800 different lift truck models, of which over 2,500 are accessible through the “quick reference” section of IRMN. They cover over 40 brands of materials handling vehicles. SMH has four distribution centers to best serve their customers (Olathe, KS – Ontario, CA – Mississauga, ONT and Toluca, MEXICO). To gain a complete understanding of the many services and offerings SMH provides, go to www.smhco.com.

Q 2.) What is the IRMN system that I have heard so much about?

The Information Resource Management Network (IRMN) is a private Intranet site that you will be able to access. Its purpose is to assist in the process of ordering parts and providing current, up-to-date information on a live, active network. Sample screens can be viewed by clicking <http://www.smhco.com/irmn1.html>. Current IRMN features include; part number inquiry, online ordering, part number cross reference information, customer purchase history, quick reference part number search, online catalog, extensive online parts illustrations, engine specifications and overhaul kits, quotes, new products, favorites, specials, search for parts, supplier catalogs, e-mail and email ordering.

Q 3.) How do I register for the IRMN intranet search engine?

On March 22, an email was forwarded to all dealerships explaining the registration process. It advised dealer principals to sign the form, assign a user name and password for each branch location, and return it to SMH for activation. Hyster Company has paid all user fees on your behalf normally associated with this system, including the \$100 initial fee in the SMH user agreement. There is therefore no charge to you for IRMN registration. To review the announcement and registration form, go to www.hysterusa.com and click on “SMH Strategic Alliance”.

Q 4.) Since SMH is a Direct Ship supplier for All-Makes parts, should I order my competitive brand parts on the Danville PDC or through the IRMN intranet?

As you become familiar with the IRMN intranet (www.smhco.com/irmn1.html) and identify the competitive brand parts you need, ordering can be handled in the following ways.

1. Upon accessing IRMN, you will have the ability to add your parts to a shopping cart and convert it into an order. Part numbers used for most applications will be identical to the OEM part number, which will greatly simplify the identification process for you and your customers at time of receipt.
2. Once you have a list of the part numbers you need, or you have prior history for the parts you require, you can easily place that order on the PDC as you do today when you order your Hyster parts and accessories. Although not strictly a traditional emergency order (not subject to a 5% emergency charge or expediting service), these ‘same-day’ orders for SMH sourced material will be treated the same as orders for other Direct Ship program material. In other words, you will place an ‘emergency’ Direct Ship order for prompt processing (just as you do today for GNB and Monarch) with specified routing declared.

It is important to understand that our SMH relationship and the IRMN state-of-the-art tool is intended to provide our dealers with a significant expansion to our current All-Makes offering in a user-friendly way of identifying required competitive parts. It is not meant as an alternative source for dealers to order Hyster brand parts or Danville PDC stocked accessories. Therefore, in the event you inadvertently place an order on SMH for a Hyster part or Danville PDC stocked accessory, it will automatically be referred to the Danville PDC as an emergency order and fulfilled accordingly at prevailing D.N. pricing.

Q 5.) What is the cut-off time in order to expect same day shipment?

For same day shipment of SMH parts, orders placed through the PDC must be received by 4PM CST, all orders placed on IRMN must be received by 3PM CST.

Q 6.) In the past, I would place one emergency order on the PDC and pay one freight charge. Now, I understand that any competitive brand parts that are part of my order will be automatically forwarded to SMH for fulfillment. This will result in “two” shipments and “two” freight charges. Why?

Yes, you are correct. With the outsourcing of “UNIQUES” from the PDC to SMH, two freight bills are inevitable. However, please remember that unless you specify expedited routing, SMH orders valued over \$250.00 are inclusive of standard freight and will NOT carry a 5% emergency premium charge.

Q 7.) What are the shipping terms, policies and freight costs of the SMH arrangement?

Standard freight charges for all continental U.S. orders (stock and emergency) over \$250.00 in net value will be shipped surface freight prepaid.

All continental U.S. orders below \$250.00 in net value will be invoiced as follows:

\$0.00 to \$24.99	-	\$10.00
\$25.00 to \$49.99	-	\$8.00
\$50.00 to \$99.99	-	\$9.00
\$100.00 to \$149.99	-	\$10.00
\$150.00 to 199.99	-	\$12.50
\$200.00 - \$249.99	-	\$15.00

All airfreight shipments requested will be at your expense plus a \$6.00 handling fee. All shipments, when properly packaged exceeding 1,728 cubic inches (12" x 12" x 12" box) will be billed at the dimensional weight rate plus a \$6.00 handling fee. All cancellations must be done prior to being released onto the shipping floor.

Q 8.) If I need parts for a piece of equipment that is not offered by SMH, can they still provide me the parts?

A key feature to this agreement is the ability to provide you parts for ALL makes of equipment, even when it is not offered through SMH. As a “no-cost” service to our dealers, Hyster Company has agreed to pay SMH a look-up fee that allows you to place an order for virtually any part you need. If local competition presents an adversarial relationship or you simply have no idea where to get a part that SMH does not offer, SMH will research, locate and build an order, provide you a quote, and process upon your authorization. Such orders will need to be placed directly on SMH through email or by calling direct to 1-800-255-4109. With the emerging demand our customers and “Fleet” accounts have placed on us to source each and every part in their fleet, you will find this to be a valuable and convenient service.

Q 9.) What is the warranty and return policy?

Most parts are warranted for a period of one year from the date of sale. Some parts and products are applicable to a 90-day warranty (see www.smhco.com/warranty.html for more information). All parts are non-returnable. If you have ordered a part in error, you will have 30 days from the date of invoice to return it directly to SMH at a 25% restocking fee, plus freight. You can obtain prior consent from SMH by going to the “Return Authorization” section of IRMN, identifying the part you want to return, adding your comments, and forwarding. Once your request is reviewed, an RA number will be assigned by SMH and

emailed to you. Also, please remember that unless SMH receives your return cores within 60 days of purchase, we will be unable to process your core return credit.

Q 10.) What are the payment terms, who will be invoicing us, and what incentives are included with parts ordered through SMH?

All orders placed through IRMN or the PDC will be invoiced by Hyster Company exactly the way they are today. All orders placed for SMH material will be eligible for 5% return allowance and all purchases will receive credit towards "You Make It Happen!" objectives and "Challenge to the Leaders" rebates.

Q 11.) Is there a "consolidated" part number to order? For example, if I order the same part under 5 different OEM numbers, I would like to know the one number that identifies all the applications so that my business system can understand it and recommend I stock it.

SMH has a "stock" number for every application. It will be identified in bold red print in the IRMN system once you have identified the part you need. This screen will display each and every OEM part number available for a single application. Therefore, in those instances where you have demand for the same part but have identified it under a different OEM part number each time, you will have the option to order the SMH "stock" part number instead of the actual OEM part number.

Q 12.) I currently stock quite a few UNISOURCE "UNIQUE" part numbers. Can I continue to order the UNISOURCE part number on SMH? If not, how can I transfer that history to an SMH part number for future demand?

SMH will be creating a part number record for all UNISOURCE "UNIQUE" part numbers where movement has been identified in the last twelve months. Should you wish to continue to order the UNISOURCE number on IRMN or the PDC, it will be recognized as a stock part and fulfilled accordingly.

Q 13.) Will I have a pricing advantage for SMH parts over local competitive OEM dealers and independent service centers currently buying from SMH?

The dealer net price has been negotiated at a very advantageous level considering our national consolidated purchase level. The pricing under this program should be equal or better than available to any dealer on an individual basis. Add to that your "Dealer Difference" advantage and "Challenge to the Leaders" rebates, and there is a guaranteed price advantage for all Hyster dealers.

Q 14.) How are SMH backorders handled?

All backorders are held in the SMH system and subsequently shipped, freight prepaid. It is the dealer's responsibility to cancel all backorders. Accurate lead times for each part can be found in IRMN, as no special expediting will occur.

Q 15.) Are parts return dollars earned on SMH purchases?

Yes. While SMH parts returns are to be handled direct with SMH as described in question # 9, all SMH parts ordered are eligible for a 5% return allowance on Hyster parts.

Q 16.) What about application questions, part number inspections or items that are dimensionally incorrect? What will the process be as we move forward?

SMH, with its business focus to the lift truck replacement parts industry, has a solid support team to answer any questions or address any discrepancies that may occur. You should contact them direct at 1-800-255-4109. For all Hyster part inquiries, you will need to contact your dealer contact, as you do today.

Q 17.) Will everything in the TotalSource catalog be available for purchase from SMH?

Yes. TotalSource items, in combination with all the spare parts and accessories listed in the IRMN system, will be available for purchase. Please be aware however, that any order for Hyster parts placed directly on SMH will be re-directed to the PDC for order fulfillment as already described.

Q 18.) When I, or my customer, order SMH TotalSource parts, will they be received in UNISOURCE or TotalSource packaging?

All orders shipping from SMH will be placed in a carton for shipment. On the outside of the carton, a UNISOURCE label will be affixed. Therefore, when you or your customer receives the shipment of SMH parts, or when one of your technicians arrives at a customer location to do a service job, a UNISOURCE label will be visible. Regarding individual parts themselves within the carton, they will remain in the TotalSource box that SMH has them packaged in.

Q 19.) Since SMH part numbers will be used when ordering parts from SMH, will Hyster Company provide us a price tape that includes SMH part numbers?

Yes. As quarterly price tapes are sent to you, they will reflect all the part numbers offered by SMH in the same dealer net / fleet pricing format as you are accustomed to. Additionally, a special tape will be sent to you prior to the program kick-off.

Q 20.) When is the official start date that we may begin to place orders on SMH?

Our plans call for May 6, 2002 to be the "GO LIVE" date. Effective that date, orders for all UNISOURCE "UNIQUES" will be fulfilled by SMH. All orders received up to May 2, will be processed by the PDC. In order to allow for an orderly inventory transfer from the PDC to SMH, all orders received on May 3 will be transferred to SMH for fulfillment on May 6.

Q 21.) Please summarize why this is a good deal for the dealers.

There are several benefits to this new alliance. One of the top priorities presented during the fall Dealer Council 2001 was the need for a comprehensive all makes program that included a viable search engine and an expanded offering. This new alliance fulfills these objectives at "Everyday Low Prices". We have negotiated very favorable terms with SMH that provides Hyster dealers with the best possible pricing on all makes parts. In addition we are incorporating a viable sourcing option that can truly provide the dealer with one stop shopping for all their parts needs. These characteristics will become a great value as we strive to convert competitive Key Accounts and Fleet Management initiatives. This program has been integrated into our everyday business and will play a big part in the achievement of our short-term objectives "Challenge to the Leader" and "You Make It Happen", as well as our pursuit of our long-term objective "MatchPlay 2010". The attainment of these goals will help us increase our customer base, increase our market share in parts and units and deliver profits to the bottom line strengthening our position in the market.