



June 3, 2003

Attention: All Hyster Dealer Principals, Branch Managers, Parts Managers, Service Managers, Sales Managers, and Aftermarket Sales Representatives

SUBJECT: UNISOURCE / IRMN End User Program

Since the introduction of our SMH relationship on May 6, 2002, many positive and progressive enhancements have been made. Now, as a result of your feedback and SMH's desire to strengthen the partnership with Hyster dealers, we are pleased to announce the immediate availability of the "UNISOURCE End User Program". Recognizing that many multi-brand fleet users have expressed a desire to purchase parts for all brands of lift trucks and industrial mobile equipment through a single source utilizing e-commerce, we have stepped-up to the emerging demand by working in conjunction with SMH to develop the UNISOURCE End User program. Below is an explanation of the process.

- 1) As a UNISOURCE dealer, *you* sponsor the appropriate customer (parts only buyer, competitive fleet) and pay the initial setup and annual sponsorship fee of \$100.
- 2) *You* determine the retail sell price to *your* customer. Your margin expectation should take into account that this will be a direct ship arrangement for you with no additional inventory carrying cost.
- 3) *Your* customer signs an agreement that allows them direct access to www.UNISOURCEirmn.com. Copies of these agreements, requiring signatures by the dealer principal and end user customer, are included as a separate attachment within this email announcement.
- 4) *Your* customer places their SMH / non-Hyster material orders directly on SMH.
- 5) SMH receives the order and forwards it electronically to the PDC for dealer code / data population.
- 6) PDC returns the order electronically in real time to SMH where it is pulled, packed and shipped. All ordered items are non-cancelable and backordered items, if any, will be shipped freight free at the earliest opportunity.
- 7) SMH will invoice Hyster who will then invoice the dealer at dealer net plus a 6% SMH handling fee. Your dealership invoices *your* customer (NOTE: 1% fast payment discount and Challenge To The Leaders rebates / incentives apply to the dealer net for the parts only. Setup and sponsorship fee, the 6% handling fee and associated freight costs are excluded).
- 8) **IMPORTANT:** The first notification you will receive that your customer has placed an order utilizing the UNISOURCE End User program will be the invoice you receive from Hyster. INVOICING YOUR CUSTOMER WILL BE YOUR RESPONSIBILITY.

As you can see, the UNISOURCE End User program is available to *your* customers as an exclusive sponsorship through *your* dealership. The customers that you appoint and provide direct access to www.UNISOURCEirmn.com will have the capability to research non-Hyster parts and accessory information so they can subsequently order non-Hyster parts for competitive lift trucks and as well as other industrial mobile equipment electronically. The exclusion of Hyster parts has been put in place so we may continue to preserve our brand image by fulfilling Hyster parts requests with Hyster brand parts directly through your dealership. Hyster part numbers will be masked on the IRMN Order and Inquiry screen so order placement for these parts cannot occur.

(continued on page two)

To recap, there will be two costs linked to these types of transactions that you currently are not familiar with.

- 1) You will be invoiced a \$100 annual fee per customer as maintenance for the account and access to www.UNISOURCEirmn.com.
- 2) A 6% fee over dealer net will be added to the cost of the ordered parts on each invoice (parts only - not freight or any other expense). Since you are sponsoring these accounts, you should bear this in mind when determining your sell price.

Freight charges will be based on the SMH terms at time of the order (currently freight is prepaid on orders greater than \$250.) A transaction cost example would look like this:

- Customer orders 8 contactors - # CR93574 direct through www.UNISOURCEirmn.com
- Customer sees dealer designated list price "mark-up" determined by your dealership, of \$75.46 (DN \$49.00 x 1.54%, 35% margin, in this example).
- Total customer invoice price from the dealer is \$603.68 freight pre-paid.
- Dealer Net: \$49.00 x 8 = \$392.00 + the 6% service fee of \$23.52
- Dealer Margin: \$188.16
- Dealer is invoiced \$415.52 through Hyster, freight prepaid* (*order value exceeding \$250.00)

To activate and provide access to www.UNISOURCEirmn.com for one of *your* customers, follow these simple instructions:

- For customer enrollment, use the UNISOURCE End User agreement forms included as a separate attachment within this email
- Once your customer has signed the agreement form, it will be your responsibility to forward it to SMH, attention Cathy Diaz.
- Hyster will invoice your dealership the \$100 activation agreement fee, annually.
- SMH will forward the End User log-on and password information directly to *your* customer.

So, in today's environment it is important we meet the needs of an ever-changing market place by providing tools such as the UNISOURCE End User program. Many customers today prefer to conduct business through e-commerce as a means to reduce their vendor base, streamline the parts procurement and distribution process ... and reduce administration, dealer intervention and of course, cost. Therefore, it is our belief that this customer-direct access to IRMN, as designated and controlled by you, will deliver a very cost effective sales approach to some of your price sensitive competitive fleet customers.

EVEN THOUGH PARTICIPATION IN THIS PROGRAM IS STRICTLY OPTIONAL, we encourage you TO SHARE this new and exciting program with your entire Aftermarket and New Truck staff. You can begin by reviewing the presentation attached in this email "The UNISOURCE End User team overview.ppt", with them.

Should you wish to discuss any element of this program further, please feel free to contact me.

Best Regards,



Gary Bates
Director, Aftermarket Sales