



HYSTER COMPANY

Americas Division

September 29th, 2008

TO: PARTICIPATING HYSTER DEALERS

RE: United States Gypsum Company, USG Interiors, Inc. & CGC, Inc (CANADA)

We are pleased to announce the selection of Hyster Company as a preferred supplier and fleet manager for United States Gypsum Company (USG) and their affiliates. This designation is the culmination of USG's 10 month forklift project which ultimately produced only two suppliers, Hyster and Caterpillar. All other competition was eliminated.

Hyster currently enjoys 47% of USG's business and a favorable reputation at the corporate level. The decision, however, will be made at the plant level and our lone competitor is viewing this as a huge opportunity. Your actions in the coming weeks will determine the extent of the partnership. We would like to share with you the details of USG's timeline and strategy for partnership selection:

- Each dealer's management team will be asked to meet with local USG plant management prior to **October 17th, 2008**. Please do not delay in making your appointment. We will only have this one opportunity to win their business. Your presentation should cover three topics: equipment, Fleet maintenance and MOST importantly, your dealership. Attached you will find a spreadsheet of all locations with contact information. This spreadsheet should also be used as your template for reporting weekly progress updates to Hyster Fleet. Weekly update reporting should commence **Thursday, October 2nd**. We have also attached a short PowerPoint covering the merits of Hyster, competitive advantages over Caterpillar, fleet management benefits, parts availability, etc. You will need only to update with your own dealer specific information (service capability and other relevant differentiating info). Lastly, we have added "script" notes to each slide to ensure we are delivering a consistent message. The outcome of your meeting will determine USG's long term partner for both truck sales and maintenance. Again, we strongly encourage you to schedule a meeting ASAP and please advise should you encounter any problems.
- All 50 USG plants will decide which vendor they will partner with on or before **November 1st, 2008**.
- Once Hyster is chosen, Hyster Fleet will be coordinating dealer site surveys to be completed by **November 17th, 2008**.
- The 20 highlighted plants on the spreadsheet attached, assuming Hyster is chosen, will be enrolled in the Fleet program by **December 1st, 2008**.
- Although partners will be determined on November 1st, 2008 for all 50 locations, the remaining 30 plants, assuming Hyster is chosen, will be added to our Fleet program on **June 1st, 2009**.

FleetSmart





The Safe Choice

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In addition, a vast majority of USG facilities will be switching to outsourced maintenance, further enhancing our overall incremental business opportunity. Keep in mind, in many cases USG in-house technicians will either be shuffled into different roles, or displaced. In light of this, please use discretion during your plant visits and kindly **refrain from discussing the forklift program with any USG personnel aside from the approved plant contact on the attached list.**

FLEET PROGRAM DETAILS

The program requirements for USG include a centrally managed maintenance program consisting of professional fleet assessments, dedicated program management, threshold repair management for repairs over \$2,000.00, centralized service dispatch, centralized billing and invoicing, web portal access and advanced fleet reporting. Hyster Fleet will follow up with a process flow "cheat sheet" in the coming weeks.

Trucks under 1 year of age and all new truck deliveries will go on Fleet "Power By The Hour" (PBH) Full Maintenance (FM). Older units (>1yr) will be included at time and material rates or passed through at existing FM maintenance rates minus \$10 per asset per month, depending upon age and condition of the equipment.

All repairs to newer units on PBH will be reimbursed on a time and material basis. To that end, dealers will be asked to provide a 15% discount off current labor rates on December 1, 2008, which will be good through December 31, 2009. Labor rates will be updated each December thereafter. Parts pricing will be paid Fleet parts pricing, and all level B PM's will be paid in accordance with the FleetSmart PM program announced September 15th, 2008 (attached).

Dealers will submit a Type 6 Fleet Claim to Hyster Fleet for reimbursement for all repairs. PM claims should always be submitted separately from other time and material repairs. This process is similar to other fleet management programs that are centralized through Hyster Fleet Services. *Dealers should clearly note any instances of customer abuse or avoidable damage* for coding and tracking purposes as these repairs will be invoiced separately to the customer.

I hope you will join us in our enthusiasm for this exciting opportunity to gain significant incremental unit sales and service business. Good luck with your presentations and should you require anything further, please don't hesitate to ask.

Cordially,

John Russian

John Russian
Manager, Hyster Fleet Marketing

Barry Morse

Barry Morse
National Account Manager

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