WELCOME TO PERFORMANCE BONUS 2018

The Performance Bonus Program is designed to reward Dealers for exceptional performance in Parts Sales growth. The spirit of the Volvo Group’s investment is to reward Dealers who perform well across the Dealership in order to support the various initiatives and the Mack and Volvo brands, and grow parts purchase volume. In other words, our investment is to ensure not only that the parts business grows but also that our Dealer network improves across a multitude of disciplines. In our observation, Principals and General Managers who keep Performance Bonus at the center of their operations do best at Performance Bonus payout and brand support. This program is more than a parts volume bonus program: it is a Performance Bonus program that requires a holistic approach at the Dealership.
BASELINE QUALIFICATIONS

*You must do these to be in the program:*

- **Administration:** Submit financial statements.
- **Parts:** Logistic Partnership Agreement (LPA), Dealer Principal approved Parts Business Plan.

**Notes:**
Those Full-Line and Satellite (Sub-Dealer Full-Line) locations that were not active by the end of Q2 2017 will not be included in the service component scoring of this year’s program. Service components are paid annually, based on a quarterly average.

SERVICE QUALIFIER

Full-Line and Satellite (Sub-Dealer Full-Line) locations within a management group must have an ASIST usage ratio of greater than or equal to 70% to qualify for the service components of the 2018 Performance Bonus Program.

PROGRAM PAYOUT

- **Frequency:** Quarterly or annually, depending upon component.
- **Method:** Electronic draft, check, or credit to parts account.
PARTS PERFORMANCE PROGRAM

Parts Purchase Growth
Parts purchase growth is the foundation of the program. Parts growth requires growth as expressed below over the management group’s 8Q average total parts purchases:

<table>
<thead>
<tr>
<th>8Q Growth Rates (up to 2.75% Payout)</th>
<th>US Target Growth</th>
<th>CA Target Growth</th>
<th>Payout</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1</strong>, 8Q Avg. 6% or equivalent to 2.7% Year Over Year Growth</td>
<td>6%</td>
<td>8%*</td>
<td>.50%</td>
</tr>
<tr>
<td><strong>Level 2</strong>, 8Q Avg. 10% or equivalent to 6.5% Year Over Year Growth</td>
<td>10%</td>
<td>12%*</td>
<td>1.25%</td>
</tr>
<tr>
<td><strong>Level 3</strong>, 8Q Avg. 14% or equivalent to 10.4% Year Over Year Growth</td>
<td>14%</td>
<td>16%*</td>
<td>2.00%</td>
</tr>
<tr>
<td><strong>Level 4</strong>, 8Q Avg. 18% or equivalent to 14.3% Year Over Year Growth</td>
<td>18%</td>
<td>20%*</td>
<td>2.75%</td>
</tr>
</tbody>
</table>

*Reason is currency.

Full Year Consistency Bonus
Pays out an additional 10% of monies paid at year end for consistent quarterly performance. If the management group has achieved at least Level 1 Parts Growth all four quarters of the year, year-end bonus of 10% of monies paid under this program are awarded.

Target Purchase Growth Incentives
2018 target purchase objective will be based on net parts purchases, including; Proprietary, All-Makes, Dex, Reman and Road Choice® purchases.

- Parts invoiced from PDCs and Vendor Direct Ship Programs for Proprietary, All-Makes, Dex, Reman and Road Choice® products.
- Payouts will be on the total purchases (Proprietary, Dex, Reman, All-Makes and Road Choice®). Baseline will be set as the previous eight-quarter average of Proprietary, All-Makes, Dex, Reman and Road Choice® product invoiced by Mack and Volvo in the management group’s AOR.
- Each quarter’s purchases are scored independently versus the 8Q average.

Parts Activities bundled (up to 0.25% Payout) - Dealer management group must achieve both MAPP Marketing and SELECT Part Store objectives to receive 0.25% payout.

MAPP Marketing Component
Qualifier of 200 MAPP Marketing Profiles or 95% of FY 2017; whichever is higher.*

Examples:
- **MAPP Marketing – Dealer A**: 152 profiles - Needs to grow to 200 profiles.
- **MAPP Marketing – Dealer B**: 400 profiles - Needs to maintain a minimum of 380 profiles.

* Rationale on MAPP Marketing is that it will self-manage supporting the outcome of SELECT Part Store sales growth. Dealers will likely add MAPP Marketing profiles to grow SELECT Part Store.
SELECT Part Store Revenue Growth*
To receive a quarterly payout, the dealer group must achieve their quarterly target which is based on 2017 actual SELECT Part Store sales revenue plus a growth factor (see chart below). There is no catch up payment; dealer groups will be evaluated and paid quarterly for the current quarter. The intent is to get dealers with low participation up to an acceptable level to begin selling more in SELECT Part Store and to encourage (with SELECT Part Store) higher performing dealers to achieve reasonable expansion of the platform.

* Rationale on SELECT Part Store is to accelerate growth with slow adoption dealers and set reasonable growth targets for active dealers.

<table>
<thead>
<tr>
<th>SELECT Part Store Revenue</th>
<th>‘18 Growth Rate</th>
<th>‘17 Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;$4M</td>
<td>17%</td>
<td>15.6%</td>
</tr>
<tr>
<td>$1M-$3.99M</td>
<td>35%</td>
<td>57.9%</td>
</tr>
<tr>
<td>$500k-$999K</td>
<td>40%</td>
<td>48.9%</td>
</tr>
<tr>
<td>$1-$499K</td>
<td>50%</td>
<td>1000%+*</td>
</tr>
</tbody>
</table>

*New dealers coming on board inflate this greatly

ASIST AND SERVICE TRAINING REQUIREMENTS

ASIST Case Quality (Up to 0.15%)
Full-Line and Satellite (Sub-Dealer Full-Line) locations must effectively use the ASIST platform and meet the minimum percentage of quality cases as compared to total ASIST cases closed for each quarter as outlined below:

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>30%</td>
<td>40%</td>
<td>45%</td>
</tr>
</tbody>
</table>

To be deemed a “quality” case, each Volvo/Mack ASIST Case must include all of the following:

- Primary contact email
- Status update: Check-In*
- Status update: Asset Ready/Complete Here

* Quick action buttons (QAB) are recommended for status updates; however, not using the QAB for the Check-In status will require the user to complete the “Asset Checked In” field

Notes:
1. Pre-Delivery Fleet Customers are not included in this calculation.
2. Payout will be a ratio based on compliancy within the management group.

Example:
If four out of five dealers within XYZ management group meet the ASIST case quality component, then XYZ will receive a payout of (.80 x 0.15) = 0.12 of their parts purchases. This will be paid once per year; however, will be scored using a 4Q average.
**Service Training (Up to 0.15%)**

**Full-Line:**
A minimum of 40% of technicians enrolled in Dealer Manager must maintain master level of at least one ProPath segment for each Full-Line location for Q2-Q4. At least one service advisor enrolled in Dealer Manager must maintain master level advisor in ProPath for Q2-Q4.

**Satellite (Sub-Dealer Full-Line):**
A minimum of 20% of technicians enrolled in Dealer Manager must maintain master level of at least one ProPath segment for each Satellite location for Q2-Q4. At least one service advisor enrolled in Dealer Manager must maintain professional level advisor in ProPath for Q2-Q4.

**Notes:**
Payout will be a ratio based on compliancy within the management group.

**Example:**
If four out of five dealers within XYZ management group meet the Service Training component, then XYZ will receive a payout of (.80 x 0.15) = 0.12 of their parts purchases. This will be paid once per year; however, will be scored using a 3Q average.

**Customer Experience Management (CEM) Survey Responses (Up to 0.20%)**

Full-Line and Satellite (Sub-Dealer Full-Line) locations within a management group must actively participate in the CEM program and receive a minimum number of survey responses based on their market size during the quarter to qualify:

<table>
<thead>
<tr>
<th>MARKET SIZE</th>
<th>CEM RESPONSES REQUIRED (PER QUARTER)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>20</td>
</tr>
<tr>
<td>B</td>
<td>15</td>
</tr>
<tr>
<td>C</td>
<td>10</td>
</tr>
</tbody>
</table>

**Notes:**
Payout will be a ratio based on compliancy within the management group.

**Example:**
If four out of five dealers within XYZ management group meet the CEM Survey Response component, then XYZ will receive a payout of (.80 x 0.20) = 0.16 of their parts purchases. This will be paid once per year; however, will be scored using a 4Q average.

**PARTICIPATION ACKNOWLEDGEMENT**

TERMS AND CONDITIONS

To Qualify for Program Participation the Dealership must:

1. Have an approved Parts Business Plan, signed by the Dealer Principal.

2. Submit dealer financial information monthly per the guidelines defined and published by corporate Dealer Development on the Trucks Dealer Portal under “Dealer>News & Info”.

3. Meet full LPA installation requirements. The LPA installation must include automatic order replenishment for a minimum of 95% of PDC parts, utilize standard tables, and provide LPA managed Buy Back for the location to be eligible for program consideration. Payout calculations will begin in the quarter following the completion of the LPA installation. Cancellation of the LPA program by a dealer location(s) during a quarter will result in forfeiting all program compensation beginning in that quarter.

4. Must complete the online program acknowledgement form to “confirm” participation no later than January 31, 2018.

Payout Frequency and Timing:

Payout is quarterly, two months after the quarter, as a credit to the dealer’s parts statement (service components are paid at the end of the year). Management Group must have an active parts account on payment date to receive parts statement credit.

Corporate may modify or cancel the program at any time. The terms and conditions of the program may not be modified unless such modification is described in a writing issued by corporate. Corporate may not waive any term or condition of this program unless such waiver is explicitly set forth in writing signed by an officer or the party(ies) against whom the waiver is charged.

Parts Growth Definitions/Terms:

• Qualified Parts Purchases Definition:
  Net Parts Purchases of all PDCs and Vendor Direct Ship Programs for Proprietary, Dex, Reman, All-Makes, and Road Choice® parts. “Net Parts Purchases” means invoiced parts, at the part number invoice line item level, excluding core charges, freight and taxes, net of returns and buy backs, and other credits relating to those parts. The 8Q average for the management group was also set with the same net parts purchases definition. If there are data discrepancies, the technical definition used to establish the 8Q average will be used to score the purchases in the current quarter (“like for like comparison”). All quarterly purchases are scored as stand alone for the quarter. Purchases from prior month and/or quarter are not transferable to the next period. All compensation will be paid at the dealer management consolidated level.

• Each dealer code’s 8Q average is calculated by totaling the parts purchased from 2015 Q4 to 2017 Q3, and dividing by the number of quarters in that time frame that the dealer code had at least $5,000 of purchases. The dealer code 8Q averages are totaled to calculate the management group’s 8Q average.

• For transfer of ownership (location buys and sells) during the year, the 8Q average baseline of parts purchases will be pro-rated based on transaction execution date and allocated between the selling and buying dealer management group, and the targets for the program will be re-calculated given the new 8Q average.