

Mercedes Benz USA is proud to present the,
2017 Courtesy Vehicle Program



Version as of January 25, 2017

We at Mercedes-Benz are ‘*Driven to Delight*’. The Mercedes-Benz brand represents exceptional customer assurance and we are committed to providing the utmost customer care to each and every one of our clients. The 2017 Courtesy Vehicle Program is one more way that Mercedes-Benz will continue on the path to exceed customer expectations and strive to be the best in the JD Power customer satisfaction surveys. Our product quality, service opportunities and customer recognition reflect our promise to deliver “the best or nothing”.

Program Overview

The **Mercedes-Benz Courtesy Vehicle Program (CVP)** is one of the best ways to improve customer satisfaction during service appointments and at the same time create new sales opportunities. To this end, Mercedes-Benz USA is pleased to announce the launch of the **Courtesy Vehicle Program (Use Code: L7)** commencing on **January 5th, 2017** thru **January 2th, 2018**. In addition, dealers should ensure that their current CVP fleet model mix reflects what is being sold at retail increasing the likelihood that your service customer will receive a comparable vehicle.

Courtesy Vehicle Program Highlights:

Model Year	Cash Allowance	Daily Rate
All MY17 CLA-Class	\$2,250	\$6.16
All MY17 GLA-Class	\$2,250	\$6.16
All MY17 GLC-Class	\$3,500	\$9.59
All MY17 C-Class	\$3,750	\$10.27
All MY 17 E-Class	\$5,000	\$13.70
All MY 17 GLE-Class	\$5,000	\$13.70
All MY 17 GLS-Class	\$6,000	\$16.44
All MY 17 S-Sedan	\$10,000	\$27.40

Ex – CVP’s that meet their minimum service requirement are eligible to utilize either current month *New Car Programs* (excludes Lease and Retail Incentive Program, Special Retail Cash and any cash out allowances for vehicles in New Car Inventory) or *Certified Pre-Owned Programs*.

- C-Class, E-Class, GLE-Class and GLC-Class CVP units that have met their minimum service requirement and are certified will qualify for eligible CVP CPO Special APR rates that are in effect at the time the vehicle is retailed as a CPO unit.
- Dealer Reserve & Dealer Performance Bonuses will be immediately funded to the dealerships.
- **Use code L7 will be based on the allowance chart mentioned above.**
- CPO Low Mileage Base Warranty Fee Waiver Reimbursement will only be awarded to dealerships if an ex-CVP was maintained in CVP service for a minimum of three months (90 days) and was correctly retailed with a current monthly ***Certified Pre-Owned Program***.
- CPO Warranty Fee Reimbursement: Any Courtesy Vehicles that were put into service from new car inventory and have met at least the minimum of three months in-service requirement may have the CPO Warranty Fee reimbursed the month after they have been retailed as MBCPO. This reimbursement applies



only to the low mileage, base warranty and for those units that are retailed only with a Pre-Owned Program. The warranty will take effect after reconditioning and retail reporting to the ultimate consumer. However, Courtesy Vehicles must stay in service for the full twelve months in order to receive the full CVP allowance amount.

- Please see the updated warranty fee reimbursements as per CPO guidelines:

2017 Warranty Fee Reimbursement Detail

Class	Low Mileage
CLA,C,GLA,GLC, E	\$595
GLS, GLE	\$795
S	\$895

How the MBUSA 2017 Courtesy Vehicle Program Works:

❖ Eligibility and Enrollment

All dealers are eligible to participate in this program. Enrolled dealers must consistently utilize the Mercedes-Benz Mobility Software (MBMS / TSD). **To participate, each dealer must fill out the enrollment form which will be posted to NetStar in January 2017.** If participation is not determined by the deadline, chargebacks will automatically be generated by the system. In addition, dealers must maintain their CVP fleet in house. To enroll, please go to the **Sales** tab on the NetStar homepage and select **Courtesy Vehicle Program** from the left-hand column.

1. Sign (enter) the name of the authorized representative and the date.
2. Click "Submit". As in previous years, there is no need to fax the form; it will be filed and recorded electronically.
3. By enrolling in the CVP, dealers agree to provide *Courtesy Vehicles* to all warranty customers regardless of where the vehicle is purchased. Dealers found in consistent violation of this policy will face charge backs of the program allowances and/or disqualification from the program.

❖ Allocation

Dealers will be provided their 2017 Courtesy Vehicle Program allocation by early 2017, which will be communicated through the regional offices and is set forth in NetStar, under the Courtesy Vehicle History tab / Sales Pre-Owned Inventory. Dealers are solely responsible to obtain units from their new car inventory and place them into their CVP fleet. It is the Dealers' exclusive responsibility to ensure that they have sufficient and proper inventory to meet their CVP needs on a monthly / annual basis. When a vehicle is retailed as an in-service CVP unit, dealers will be eligible to receive PPV, DDR and TAP credit for such vehicles.

*Vehicles may be placed / removed into service any time throughout the year; however, a dealer may not exceed their assigned annual Fixed CVP Fleet size.

❖ In-Service Requirements

In order to keep any portion of the daily CVP allowance, a vehicle must be retailed in NetStar under the 2017 Courtesy Vehicle Program (L7) and it must be in service for a minimum of **3 months**. Vehicles that are removed between three and twelve months will receive a daily CVP allowance based on days in-service at the end of each month starting *after* the minimum 90 in service requirement. Once a vehicle is removed from the Courtesy



Vehicle Program, it automatically becomes an ex-CVP which is located in the dealer’s Pre-Owned inventory. Any CVP unit that is removed prior to three months in service will not be eligible for any CVP allowance or be eligible for *New Car Programs*.

**Courtesy Vehicle units which serve as dealer shuttles must be registered and documented in TSD to reflect usage.*

❖ **Vehicle Allowance**

Courtesy Vehicles put into service receive an allowance based on model type. A daily rate will be paid at the end of each month for all eligible in-service units. The list of eligible models and their corresponding daily rate can be found within this manual. **Courtesy Vehicles are not eligible for New Vehicle Wholesale / Cash Out Inventory Lease and Retail Incentive Market Support allowances.** As previously mentioned, to receive the full allowance, Courtesy Vehicles must stay in service for the full twelve months of service commencing from the retail date that the vehicle was put into service.

CVP Payment Example:

2017 Process Example L7: MY17 E-Class put into CVP January 30, 2017 and removed from service July 1, 2017 will be prorated as follows:

2017 Current Process Example (L7)

E-Class Allowance: \$5,000

Days in Service: 153

Daily Allowance: \$13.70

At the end of each month eligible in-service vehicles will be paid their daily rate for the time they spent in CVP service. Units removed prior to 90 days will be charged back all CVP payments.

**Please Note: Days In-Services are based on, ‘Date of CVP removed from CVP service’ – ‘Date of CVP added to the CVP’ – 1 day. In order to certify a fair process, all dealers are subjected to the 1 day policy to ensure that all dealers have the same time to service and prepare the CVP unit to be in-service.*

❖ **Please Note: CVP units are still required to spend a minimum of 90 days in order to qualify for CVP New Car Programs (excludes Lease and Retail Incentive Program, Special Retail Cash and any cash out allowances for vehicles in New Car Inventory) or Certified Pre-Owned Programs.**

❖ **Refund of Dealer Reserve & Dealer Performance Bonus**

- MBUSA will initiate an Electronic Funds Transfer (EFT) within two business days of the DDR to credit the appropriate Dealer Reserve funds and Dealer Performance Bonus funds for deposit into the dealer’s account.

❖ **New Car Extended Limited Warranty**

- Courtesy Vehicles will be eligible for New Car Extended Limited Warranty as long as vehicle is under the new vehicle warranty.



❖ **Roadside Assistance Program**

- Consistent with prior year programs, RAP vehicles *must* be retailed as Courtesy Vehicles. These vehicles will continue to follow the same rules and will receive the same allowances as provided by the current Courtesy Vehicle Program. Please note the following requirements and processes:
- Vehicles may be either a **GLE-Class or GLC** in white or silver.
- Upon placing the vehicle into Courtesy Vehicle status, the Service Manager should order the vehicle wraps through NetStar, under the Services tab and then Vehicle Wrap. The wraps will be sent to the Service Manager’s attention. The Service Manager should also notify the CAC Roadside Supervisor or a Distribution Liaison with the unit’s VIN.

❖ **References**

For questions concerning the Courtesy Vehicle Program, please contact as follows:

- Vehicle Allocation and Program Administration – your assigned Sales Operations Manager (SOM).
- Program Content, Program Rules & Regulations, and General Inquiries – Brandon Supak, Analyst, Sales and Field Operations, (770) 705-3257 or brandon.supak@mbusa.com
- Details of the MBFS Courtesy Vehicle Program - your assigned DRM or MBFS Business Center.
- MSS CVP Payment and/or CVP CPO Low Mileage Base Warranty Reimbursement Inquiries will be handled through the Finance Department by contacting the MSS Hotline at 201-573-4321.

❖ **Damaged / Total Loss CVP Units**

Any unit that has been determined in-operative due to damage or total loss must be immediately reported to the area’s SOM and an MSS inquiry must be generated with the damaged / totaled full VIN along with the replacing full VIN. In addition, in case of total loss please provide documentation such as a copy of the police report and a copy of the insurance claim to the attention of Brandon Supak. It is important to specify the vehicle’s VIN *and* replacing VIN in order to avoid and chargeback for the totaled unit.

❖ **Program Compliance**

To maintain the integrity of the Courtesy Vehicle Program, MBUSA requires the following conditions are met to ensure proper usage:

- Enrolled dealers must consistently utilize the Mercedes-Benz Mobility Software (MBMS / TSD)
- Courtesy vehicle units must be utilized regularly - minimum of once per month - with loaner agreements consistently documented in TSD
- Courtesy vehicle units are restricted to customer usage: personal use by dealer personnel, management, or spokesmen for the dealership is prohibited
- Although priority is for service customer usage, sales loaner utilization is permitted however TSD recordkeeping requirements still apply
- Dealers will be subject to chargeback for any violations

***Any violation of the terms outlined in this manual may result in the termination of a dealership’s participation in the program and a full chargeback on all allowances / incentives. At its discretion, Mercedes-Benz USA, LLC reserves the right to change the terms and conditions outlined in this program. In addition, dealer might be subjected to MBUSA facilitated audits.**



Mercedes-Benz Financial Services

Mercedes-Benz Financial Services USA LLC (MBFS) is pleased to offer the following convenient financing options* for your 2017 Courtesy Vehicle Program (CVP) needs:

Standard CVP

- Variable rate at vehicle inception
- Interest only (12% curtailment at 12 months, 1% curtailment each month thereafter up to maturity at 24 months.)
- Maximum advance = Dealer invoice
- Monthly billing statement
- MBFS Insurance available (physical damage, liability, uninsured/ underinsured motorist coverage)

Open-End Lease (Available only in California)

- Fixed rate at vehicle inception
- Similar to a consumer lease – monthly principal and interest payments due
- Dealer administered using F&I Pro (www.fandipro.com)
- Dealer set residuals between 50% - 95%
- 12 month maximum with potential option for 12 month lease extension at 12 months
- Maximum advance = Dealer invoice
- Consolidated billing statement
- Insurance must be provided by dealer

*Please note that only one option may be selected depending on dealer location.

In order to participate in the Mercedes-Benz Financial Services USA LLC component of the Courtesy Vehicle Program, dealers must first establish an approved line of credit with MBFS. To be considered for approval, Dealers must meet the minimum financing requirements (as established by MBFS) for the size of the credit line requested and be current on all MBFS obligations. Additionally, Dealers must execute any other documentation that may be required by MBFS.

To obtain complete program details, payment examples or to establish a CVP line, please contact your Dealer Relations Manager or MBFS Business Center.

A few key tools to keep in mind when retailing an ex-CVP:

- Ex-CVPs are eligible for LAP - To generate a certificate dealers must select the CVP LAP program in MB Advantage. Dealers must have taken it out of CVP service and placed into pre-owned inventory (making it an ex-cvp) to show eligible.
- Ex-CVP vehicles may only use New Residuals if they are published in the Residual Value Guide. Ex-CVP units with more than 10,000 miles, utilize the pre-owned dollar based residual (published for ex-CVP only).
- Ex-CVP contracts with less than 10,000 miles that are utilizing new car rates and residuals qualify for Premier (New) PPM as long as they have not received a service A maintenance.

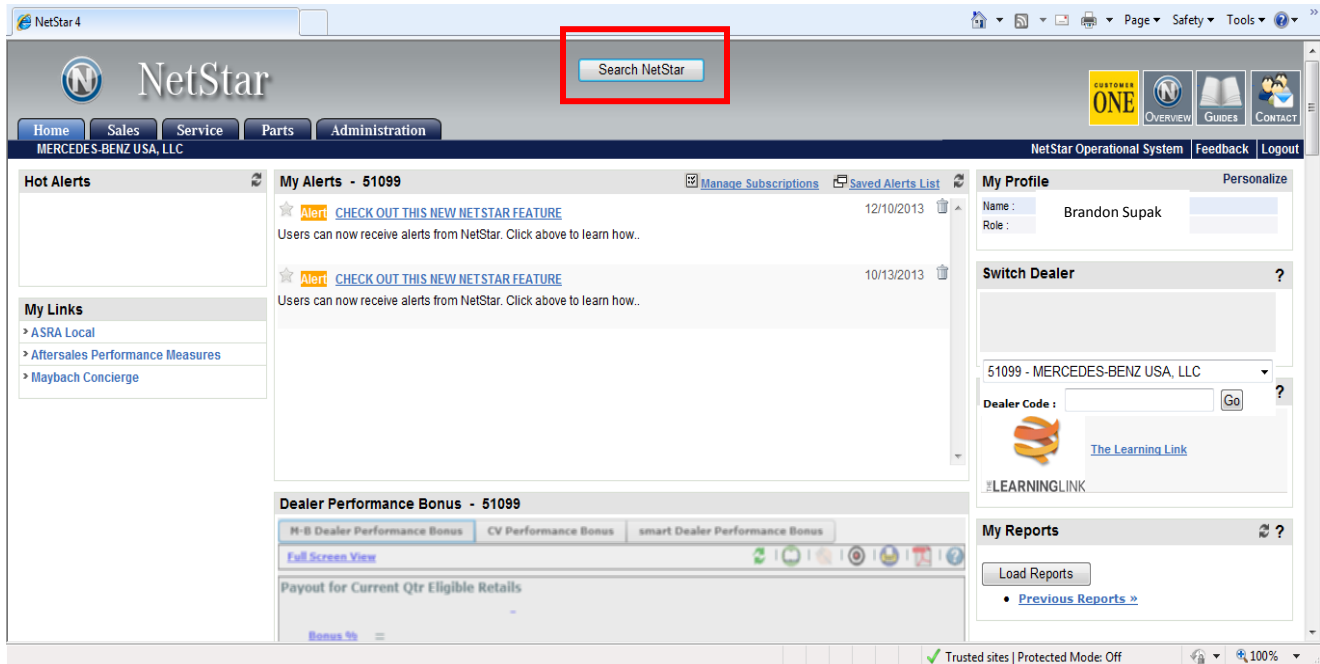


- Certified Preowned ex-CVP contracts are not eligible for Premier unless the vehicle is under 5,000 miles and the Dealer gets a system override to generate the Premier product.
- Dealers have the option to CPO a courtesy vehicle upon meeting the minimum service requirement, however if new car programs (ex. CVP New Special Retail Rates) are utilized the vehicle will not be reimbursed the low mileage base warranty.
- Ex-CVP vehicles are eligible for either New or CPO programs that are in effect at the time of DDR. The CPO CVP Special Retail Rates cannot be combined with New Car programs (ex. Mercedes Incentive Bonus).
- MBFS will discount (“book”) contracts under the CVP offering based on how they are presented (i.e. CVP Program code). In the event the vehicle does not qualify, the Dealership will receive a chargeback totaling the cost of the rate subsidy.
- By utilizing the program codes specific to CVP, you will be able to eValidate your contracts as normal. Please note that this will NOT be a validation of the program rules and service requirements outlined in MBUSA’s 2017 Enhanced Courtesy Vehicle Program Manual.
- Dealers should refer to the contract type to select the applicable program code. For example if the vehicle is designated as “New” on the customer’s contract, the correct program code to utilize New Special Retail Rates is I85 – CVP New Special Retail Rates – New Contract. If the vehicle is designated as “Used” on the customer’s contract the correct program code to utilize New Special Retail Rates is I86 – CVP New Special Retail Rates – Used Contract.
- Unique CVP Program Codes are to be used to facilitate seamless eValidation and ensure proper market support allocation. Dealer is responsible for ensuring vehicle eligibility for CVP program and CPO status and for using the appropriate program code. Please utilize the following program codes for CVP.

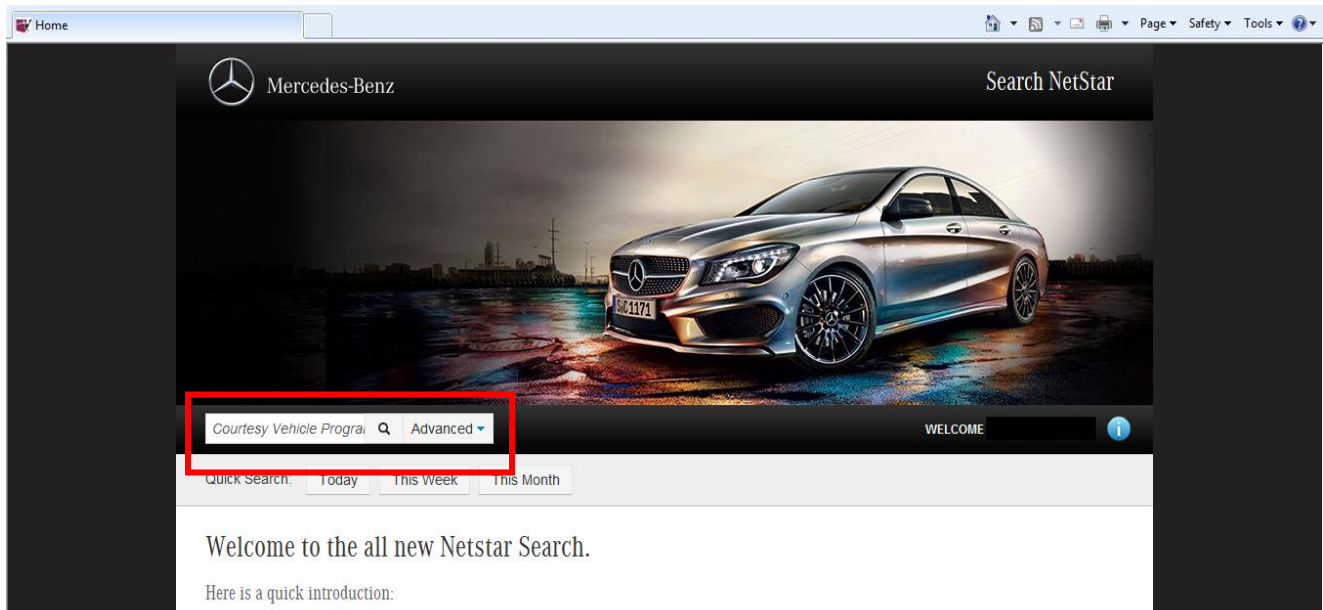
Accessing Courtesy Vehicle Program Information on the Netstar News Channel

For the 2017 program, Courtesy Vehicle Program announcements will continue to be available in a separate section on the NetStar News Channel. This will provide an easy way to access all Courtesy Vehicle Program related information on one page.

After signing onto the News Channel, click on the **“Search NetStar”** tab on the top of the page. Once the page is loaded, in the search box type in “Courtesy Vehicle Program” and click on the magnifying glass.



The screenshot shows the NetStar web application interface. At the top, there is a navigation bar with the NetStar logo and a search bar labeled "Search NetStar" which is highlighted with a red box. Below the navigation bar, there are several sections: "Hot Alerts", "My Alerts - 51099" (with two alert items), "My Profile" (showing user name Brandon Supak), "Switch Dealer", "Dealer Performance Bonus - 51099", and "My Reports". The interface is for Mercedes-Benz USA, LLC.



The screenshot shows the NetStar search results page. At the top, there is a navigation bar with the Mercedes-Benz logo and a search bar labeled "Search NetStar". Below the navigation bar, there is a large image of a silver Mercedes-Benz car. Below the image, there is a search bar containing the text "Courtesy Vehicle Program" and a magnifying glass icon, which is highlighted with a red box. Below the search bar, there are buttons for "Quick Search", "Today", "This Week", and "This Month". The page also displays a "WELCOME" message and a "WELCOME" button.



Putting new units into the Courtesy Vehicle Program

Access the **NetStar home page** and then launch the Netstar Operational System and select Sales, then click on **Vehicle Information & Tracking**. Click the **Inventory** button and load the dealership's New Vehicle inventory. Select the vehicle that will be put into the 2017 Courtesy Vehicle Program and click on the **DDR** button to display the following screen.

Insert VIN of the vehicle to be put in the Courtesy Vehicle Program

The screenshot shows the NetStar Operational System interface. At the top, there are navigation buttons: Inventory, Locate, Order, Configure, and Retail. Below these is a 'DDR Submission' header. The main area is divided into several sections. On the left, there's an 'Inquiry By' section with radio buttons for 'Plant/Serial' and 'VIN Number'. The 'VIN Number' field is highlighted with a red oval. Below this is a 'Vehicle' section with fields for Model (C300W), MY (2017-1), Baumuster (205048), Eng, Paint 1 (040 Black), Paint 2, Uph (101 Black MB-Tex), and Factory (USA). There's also a list of 'Optional Accessories'. On the right, there's a 'Trade-In' section with 'Yes?' and 'No?' options, and fields for Make, Year, and Model. Below that is a 'Sales Program' dropdown menu, which is also highlighted with a red oval. Further down, there are fields for MB Rep., Manager (sChang), Delivery Date, and Owner. There are also checkboxes for 'Purchaser is driver', 'Co-Owner', and 'Use Owner address'. At the bottom, there's a 'Broker Name' field and a 'Retail System Time' display showing 11:03:35.

1 - Click on the down arrow for "Sales Program". All Sales Programs for which the model being DDR'd is eligible will be displayed.

2 - Select Courtesy Vehicle - 2017.

Note 1: If the model is not eligible for the Courtesy Vehicle Program, the option: "Courtesy Vehicle - 2017" will not be displayed.

Note 2: **Fixed CVP Fleet Size** - Please note if your CVP inventory equals or is greater than your 2017 CVP allocation, then you will not be eligible to place any vehicles into CVP service until the active CVP allotment is less than the 2017 CVP allocation amount.



Courtesy Vehicle Program Reporting

The Courtesy Vehicle History screen displays a report of a dealer's "Active" Courtesy Vehicles. The Courtesy Vehicle History screen can be accessed from a dealer's Pre-owned Inventory view, using the "Courtesy Vehicle History" button:

Select the **Courtesy Vehicle History** button

Yr	Model	VIN	P/Serial	TRD	Paint 1	Paint 2	Uph	Packages	Accessories	Customer	MB Rep.	Acq. Date	Pri	Age	Sugg Rtl	Mileage	MBCPD	Re Cert	Pgm.	Stock #	Trade	X-CVP	Ship To Loc.	
141	CLA250C			Y	894							2016/12/29	3	8	\$28,950	35595	Y		EDP	104794	Y	N		
141	CLA250C			Y	696							2016/04/01	3	280	\$29,495	32288	N			083175	Y	N		
151	CLA250C			Y	650							2015/10/00	3	404	\$32,315	10961	N			154598	Y	Y		
151	CLA250C			Y	696							2016/01/16	3	358	\$35,200	3330	N			178175	Y	X		
151	CLA250C			Y	787							2016/01/15	3	357	\$34,400	5412	N			179509	Y	X		
151	CLA250C			Y	787							2015/11/24	3	409	\$100	10	N					N	Y	
151	CLA250C			Y	589							2016/12/07	3	30	\$1,000	34515	Y			193638	N	N		
161	CLA250C			Y	696							2016/03/01	3	311	\$100	10	N		LS	354613	N	N		
161	CLA250C			Y	650							2016/11/09	3	59	\$32,995	9942	Y			358666	Y	Y		
161	CLA250C			Y	589							2016/06/00	3	190	\$100	10	N		LS		N	N		

The Courtesy Vehicle History screen displays *only* Courtesy Vehicles. For each vehicle in the report, the acquisition or "Start Date" and "Remaining Days for full Allowance" are displayed. At the top of the screen, a dealer's Fixed CVP Fleet Size for the current year/program is displayed as well as the Active CVP Fleet In-Service count which includes all program use codes (i.e. L7, L6, L5, L4 etc.).



Program Years and Codes

The Courtesy Vehicle History screen also shows what 'Program Year' a vehicle belongs to. This can help to quickly determine which vehicles are part of previous year programs and which are part of the current year programs.

Please refer to the second column, entitled "Use Code". Each vehicle has a use code that identifies it as part of a particular year's program. All vehicles with an 'L7' use code are part of the 2017 Courtesy Vehicle Program; vehicles with an 'L6' use code are part of the 2016 Courtesy Vehicle Program; vehicles with an 'L5' use code are part of the 2015 Courtesy Vehicle Program, and so on. However, please note that you cannot place CVP vehicles into service if your Active CVP Fleet In-Service is equal or greater than the Fixed CVP Fleet Size for 2017.

The screenshot shows the 'Courtesy Vehicle History' interface. At the top, there are navigation buttons for 'Inventory', 'Locate', 'Order', and 'Configure'. Below these are filter tabs for 'VII', 'MSRP', 'Invoice', 'YMI', 'DDR', 'Acquisition', and 'As Dealer'. A 'Dealer' section includes fields for Name, Code, Region, and Market. Below that are fields for 'Customer Loaner Program Year', 'Fixed CVP Fleet Size', 'Active CVP Fleet in Service', and 'Best of Best', along with radio buttons for 'Passenger Cars' and 'smart'. The main data table has columns for VIN, Use Code, Model, Year, Start Date, Days Remaining in Program, and Status. A red box highlights the 'Use Code' column, and a red arrow points to the 'L6' code in the third row.

	VIN	Use Code	Model	Year	Start Date	Days Remaining in Program	Status
1		L6	C300W	2016		18	H1
2		L6	CLA250C	2016		84	H1
3		L6	E350W	2016	2016-05-31	84	H1
4		L6	C300W	2016	2016-03-31	84	H1
5		L6	GLA250W4	2016	2016-05-02	116	H1
6		L6	E350W	2016	2016-05-02	116	H1
7		L6	E350W	2016	2016-05-02	116	H1
8		L6	E350W	2016	2016-05-02	116	H1
9		L6	E400W	2016	2016-05-02	116	H1
10		L6	E350W	2016	2016-05-02	116	H1
11		L6	E350W	2016	2016-05-02	116	H1
12		L6	GLA250W	2016	2016-05-02	116	H1
13		L6	C300W	2016	2016-05-20	134	H1
14		L6	C300W	2016	2016-05-20	134	H1
15		L6	C300W	2016	2016-05-20	134	H1
16		L6	C300W	2016	2016-05-31	145	H1
17		L6	C300W	2016	2016-05-31	145	H1
18		L6	C300W	2016	2016-05-31	145	H1
19		L6	C300W	2016	2016-05-31	145	H1
20		L6	C300W	2016	2016-05-31	145	H1
21		L6	C300W	2016	2016-05-31	145	H1
22		L6	C300W4	2016	2016-05-31	145	H1
23		L6	C300W	2016	2016-06-27	172	H1
24		L6	C300W	2016	2016-06-27	172	H1
25		L6	C300W	2016	2016-06-27	172	H1
26		L6	C300W	2016	2016-06-27	172	H1
27		L6	C300W	2016	2016-06-30	175	H1
28		L6	CLA250C	2016	2016-06-30	175	H1

*If you have any questions please feel free to reach out to Brandon Supak, brandon.supak@mbusa.com