

Mercedes-Benz USA is proud to present the

2018 Courtesy Vehicle Program





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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 2018 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 help accomplish this, Mercedes-Benz USA is pleased to announce the launch of the Courtesy Vehicle Program (Use Code: L8) commencing on January 4th, 2018 thru January 2nd, 2019. This program allows dealers to designate vehicles from their new car inventory as loaner vehicles for customers that are having service performed on their vehicles. Dealers should ensure that their current CVP fleet model mix reflects what is being sold at retail to increase the likelihood that your service customer will receive a comparable vehicle.

Courtesy Vehicle Program Highlights:

Cash Allowance

Model Year	Cash Allowance	Daily Rate
All MY18 CLA-Class	\$2,750*	\$7.53*
All MY18 GLA-Class	\$2,750*	\$7.53*
All MY18 C-Class	\$4,000*	\$10.96*
All MY18 GLC-Class	\$4,250*	\$11.64*
All MY18 E-Class	\$5,250*	\$14.38*
All MY18 GLE-Class	\$5,250*	\$14.38*
All MY18 GLS-Class	\$6,000	\$16.44
All MY18 S-Sedan	\$10,000	\$27.40

^{*}Updated rates; only applies to vehicles placed into CVP Service on or after January 4, 2018

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 is funded to the dealerships at 100%
- Use code L8 will be based on the allowance chart mentioned above.
- Courtesy Vehicles must stay in service for the full twelve months in order to receive the full Cash Allowance listed above. The Cash Allowance will only be paid in monthly installments by using the corresponding Daily Rates. The Daily Rates are calculated by dividing the Cash Allowance by 365 days.



❖ CPO Low Mileage Base Warranty Fee Reimbursement

- CPO Low Mileage Base Warranty Fee 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 as CPO without
 using new vehicle support programs. The CPO Low Mileage Base Warranty Fee Reimbursement is only compatible
 with current monthly *Certified Pre-Owned Programs*.
- CPO Low Mileage Base 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 (90 days) in-service requirement may have the CPO Low Mileage Base Warranty Fee reimbursed the month after they have been correctly retailed as MBCPO. This reimbursement applies only to the Low Mileage Base Warranty, and for those units that are retailed without using new-car support programs. The CPO Low Mileage Base Warranty Fee Reimbursement is only compatible with Certified Pre-Owned Programs. The CPO warranty will take effect after an Inspection and Certification Report is completed in Star TekInfo and the unit is correctly retail reported as CPO to the ultimate consumer.
- Please see below updated warranty fee reimbursements per CPO guidelines:

2018 Warranty Fee Reimbursement Detail			
Class	Low Mileage		
CLA,C,GLA,GLC, E	\$595		
GLS, GLE	\$795		
S	\$895		

How the MBUSA 2018 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 2018. 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 via NetStar 5, please select "My Links", search for the Courtesy Vehicle Program Enrollment Form in "Available Links" and follow the below steps:

- 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 chargebacks of the program allowances and/or disqualification from the program.



Allocation

Dealers will be provided their 2018 Courtesy Vehicle Program allocation by early 2018. This will be communicated through the regional offices and displayed 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.

❖ Model Mix Requirement *New*

Starting 2018, a model mix requirement will be put into effect so that no single type class will represent more than 40% of any one dealer's CVP fleet. The 40% limit will be calculated using the type class level (i.e. C-Coupe put into CVP service will not be counted as the same class type as C-Sedan). This will be monitored on a monthly basis and the purpose of this requirement is to ensure each dealer has a reasonable balance of varying models in their CVP fleet. If a dealer reaches their type-class limit and places additional vehicles of that same type-class in their CVP Fleet, the dealer will receive chargebacks for the vehicles over the limit.

In-Service Requirements

To begin receiving the daily CVP allowance, a vehicle must be retailed in NetStar under the 2018 Courtesy Vehicle Program (L8) and it must be in service for a minimum of **3 months**. Vehicles removed between three and twelve months will receive a daily CVP allowance based on days in-service at the end of each month. 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* and is subject to Daily Rate chargebacks.

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 the Cash Allowance section of this manual. **Courtesy Vehicles are not eligible for New Vehicle Wholesale / Cash Out 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 units are 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.

CVP Reallocation of Unused Slots*New*

Don't lose your CVP slots!! Beginning Q1 2018, MBUSA will review each dealership's average CVP slot utilization for the prior quarter and remove 50% of the average unused slots from the dealership's maximum slot allocation. The removed slots will be reallocated to a central pool available for dealers with a business case request. Please see your SOM for further details.



CVP Payment Example:

2018 Process Example L8: MY18 E-Class put into CVP January 30, 2018 and removed from service July 1, 2018 will be prorated as follows:

2018 Current Process Example (L8)

E-Class Allowance: \$5,250; Daily Allowance: \$14.38

Days in Service: 153

Total CVP Payment for Vehicle: \$2,200.14

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

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. CVP New Car Programs cannot be combined with CVP Certified Pre-Owned Programs.

❖ Dealer Performance Bonus (DPB) and Refund of Dealer Reserve

- 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.
- When a vehicle is added to CVP, the dealer's Performance Bonus and Floor Plan will be paid the next day via EFT. The DPB reports are generated and posted to NetStar the next business day.
- If the vehicle is removed from CVP service before 90 days, the DPB and Floor Plan will be charged back and will then only be paid when the vehicle is retailed to the end customer.

New Car Extended Limited Warranty

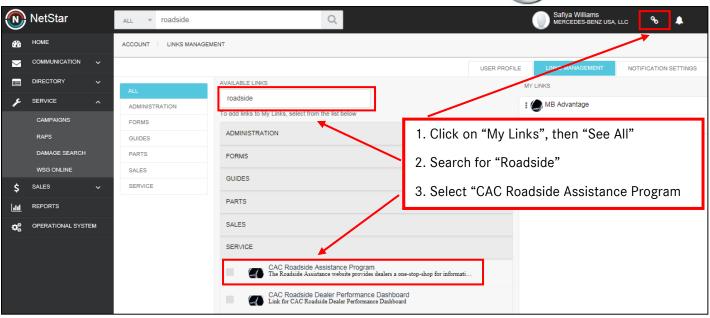
 Courtesy Vehicles will be eligible for New Car Extended Limited Warranty as long as vehicle is under the new vehicle warranty.

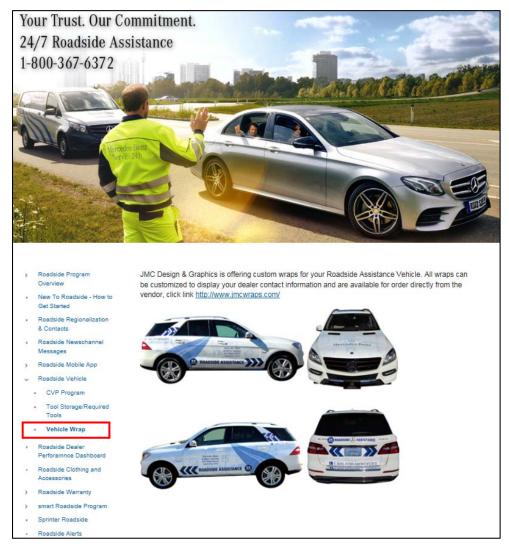
Dealer Shuttles and Roadside Assistance Program (RAP)

- Courtesy Vehicle units designated as dealer shuttles must be registered and documented in TSD to reflect usage.
- RAP vehicles *must* be retailed as Courtesy Vehicles and also documented in TSD. 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:
 - o Vehicles may be either a GLE-Class, GLS-Class, GLC-Class in white or silver.
 - O Upon placing the vehicle into Courtesy Vehicle status, the Service Manager should order the vehicle wraps through NetStar under "Links Management" by searching for "Roadside" and clicking on the "CAC "Roadside Assistance Program" link in the Services menu. Your customized wraps will be ordered through JMC Design & Graphics and 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.

^{*}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 inservice.









❖ 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 Safiya Williams. 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

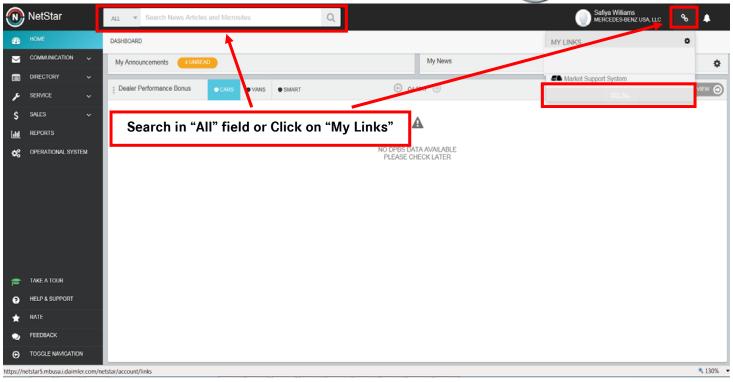
*Any violation of the terms outlined in this manual may result in the termination of a dealership's participation in the program and a full chargeback on all allowances / incentives. At its discretion, Mercedes-Benz USA, LLC reserves the right to change the terms and conditions outlined in this program.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

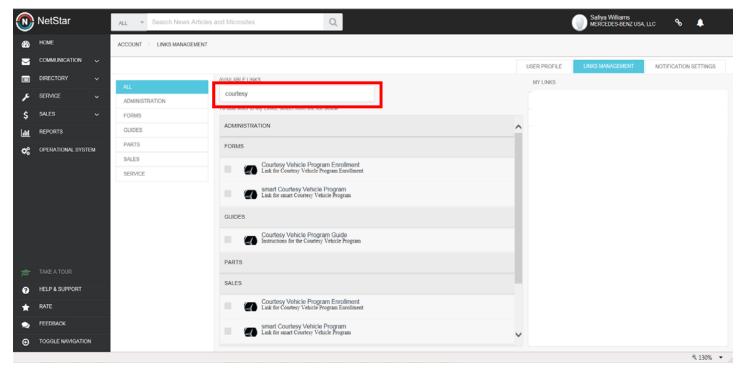
Accessing Courtesy Vehicle Program Information via NetStar5

For the 2018 program, Courtesy Vehicle Program announcements will be available within the general or the links section of the new NetStar5.

Once the page is loaded, in the "ALL" field search box type in "Courtesy Vehicle Program" and click on the magnifying glass or click on the "My Links" icon on the top right side of the page and select "SEE ALL". If selecting "My Links", type in "Courtesy Vehicle" in the "AVAILABLE LINKS" field to see all relevant CVP information (forms, guides, etc.).







Putting New Units in the Courtesy Vehicle Program

After accessing the **NetStar** home page, launch the Operational System.

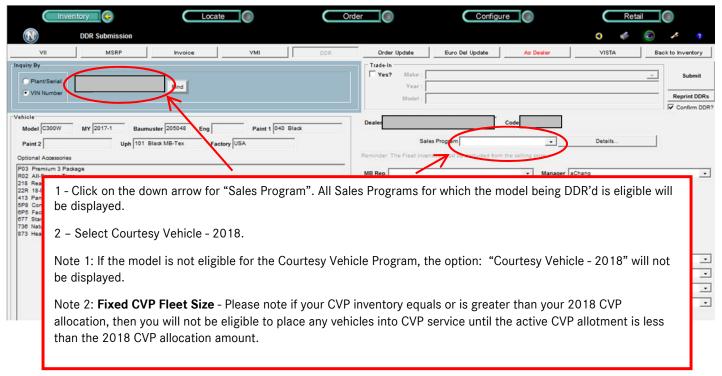




Click on **Sales**, **Vehicle Information & Tracking**, and then the **Inventory** button and load the dealership's New Vehicle inventory.



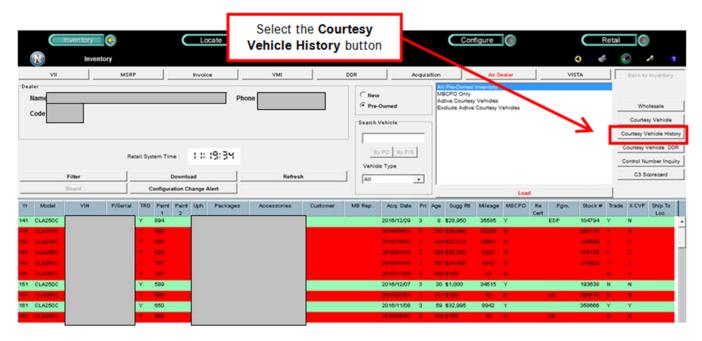
Select the vehicle that will be put into the 2018 Courtesy Vehicle Program and click on the **DDR** button to display the following screen.





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:



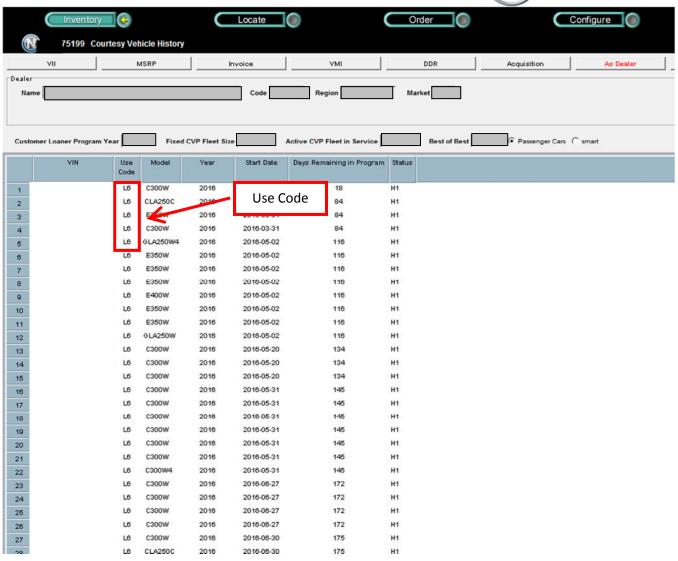
The Courtesy Vehicle History screen displays *only* Courtesy Vehicles. For each vehicle in the report, the acquisition or "Start Date" and "Remaining Days for full Allowance" are displayed. At the top of the screen, a dealer's Fixed CVP Fleet Size for the current year/program is displayed as well as the Active CVP Fleet In-Service count which includes all program use codes (i.e. L8, L7, L6, etc.).

Program Years and Codes

The Courtesy Vehicle History screen also shows what 'Program Year' in which a vehicle belongs. 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 'L8' use code are part of the 2018 Courtesy Vehicle Program; 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, and so on. Please note that dealers cannot place new CVP vehicles into service if the number of their Active CVP vehicles is equal to or greater than the maximum Fixed CVP Fleet Size for 2018.

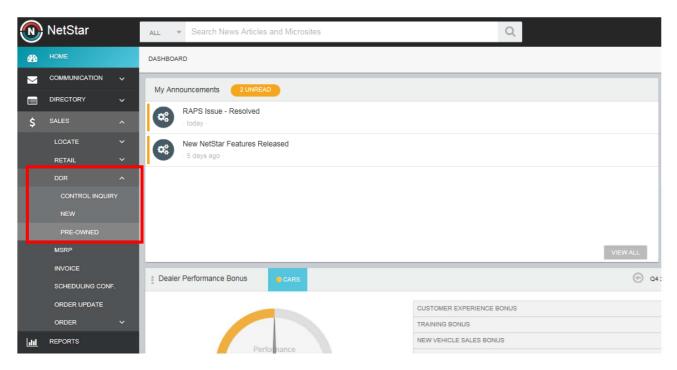




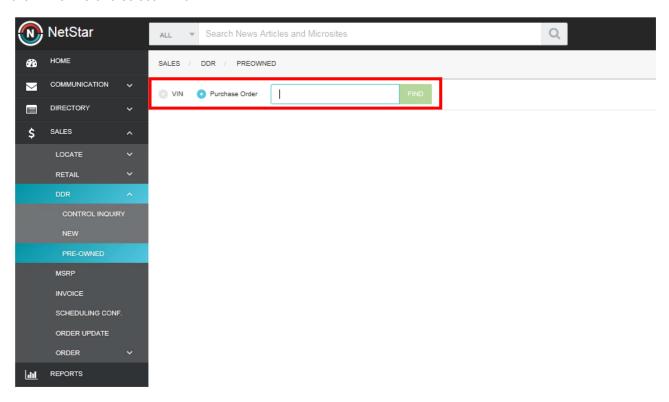


Retailing Ex-CVP Vehicles to End Customers *New*

Ex-CVP vehicles should now be DDR'd through the NetStar 5 DDR screen. Select DDR and the Pre-Owned option on the left-hand side of the screen.

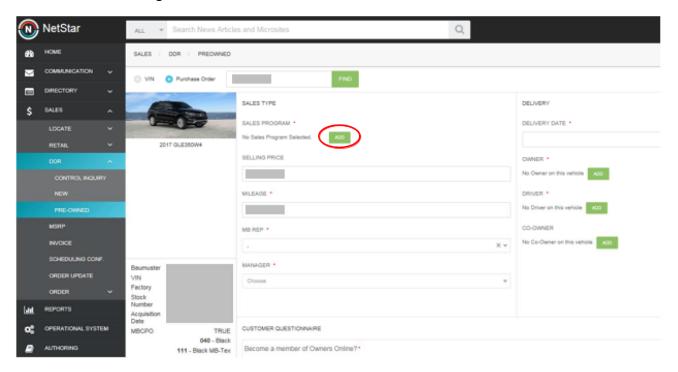


Enter the VIN or PO and select "Find."

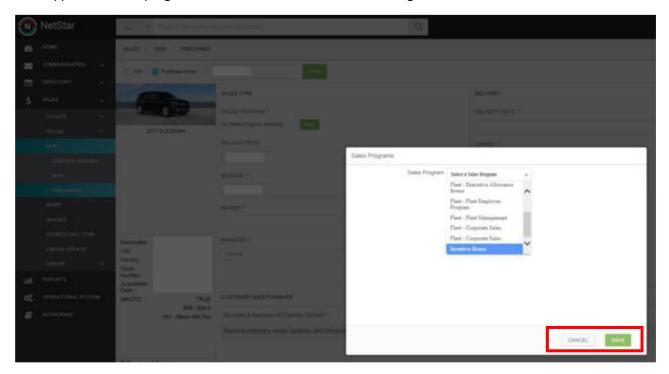




Select "Add" in the "Sales Program" section.



Choose the applicable sales program and select "Save." Continue DDR'ing the vehicle.





Mercedes-Benz Financial Services

Mercedes-Benz Financial Services

Mercedes-Benz Financial Services USA LLC (MBFS) is pleased to offer the following convenient financing options for your 2018 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 2018
 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 Retail Rates is K09 CVP New Standard Retail Rates New Contract. If the vehicle is designated as "Used" on the customer's contract the correct program code to utilize New Retail Rates is K10 CVP New Standard 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.

Important Contact Information

Please see below contact information concerning the Courtesy Vehicle Program.

- Vehicle Allocation and Program Administration your assigned Sales Operations Manager (SOM).
- MBUSA Courtesy Vehicle Program Content, Program Rules & Regulations, and General Inquiries Safiya Williams, Specialist, Alternate Sales Channels, (770) 705-2786 or safiya.williams@mbusa.com.
- MBFS Courtesy Vehicle Program your assigned Dealer Relations Manager (DRM) or MBFS Business Center.
- MSS CVP Payment and/or CVP CPO Low Mileage Base Warranty Reimbursement Inquiries MBUSA Finance Department- MSS Hotline, 201-573-4321.
- Dealer Performance Bonus- Lance Prewitt, Retail Finance Specialist, (770)705-2236 or lance.prewit@mbusa.com.