



# AMG Performance Center Program

## Qualifications & Program Overview





## Table of Contents

Section	Page
<b>0.0 – Introduction &amp; Timing</b>	4
0.1 – Objective	5
0.2 – Eligibility	6
0.2.1 Eligibility Overview	6
0.2.2 AMG Performance Center Delineation	7
<b>1.0 – Summary of Program Components</b>	
1.0.1 Overview & Basic Information	8
1.0.2 Key Component Overview	8
1.0.3 Involved Parties & Support	9
1.0.4 Consulting Agency Project Management	11
<b>2.0 – Performance Center Brand Standards</b>	
2.0.1 Performance Center Brand Standards Overview	12
2.0.2 Annual Facility Certification	13
2.0.3 Overview of Brand Standards Components	13
2.1 Performance Center Compliance Process	14
2.1.1 Notes & Timeline	14
2.1.2 Restrictions of Qualifications for Bonus	14
2.1.3 Additional Notes of Consideration: Non-“One Man – One Engine”	14
2.2 Performance Center Brand Standards	15
2.2.1 Flooring Requirements for Display Modules	15
2.2.2 Power Wall	15
2.2.3 Pit Lane Module	17
2.2.4 Exterior Signage Requirements	18
2.2.5 Kick-off Training in Affalterbach	18

<b>3.0 – Performance Center Training Certification</b>	20
3.0.1 Overview	20
3.0.2 Training Qualification Requirements	21
3.0.3 Quarterly Training Cycle	21
3.0.4 Job Codes	22
3.0.5 Technician Training	23
3.0.6 Make-Up Provision	23
3.0.7 Restriction Notes	23
<b>4.0 - Mercedes-AMG Tier III Marketing Fund</b>	25
4.0.1 Performance Center Tier III Bonus Program	25
4.0.2 Requirements & Restrictions	25
4.0.3 Requirements & Restrictions	27
4.0.4 Timeline of Tier III Marketing Spend Rollout	27
4.0.5 For Tier III Mercedes-AMG Consultation	28
4.0.6 Tier III Brand Standards & Infractions	28
<b>4.1 Additional Marketing Opportunities</b>	29
4.1.1 Additional Marketing Opportunities Overview	29
4.1.2 Mercedes-AMG Brand Night	30
4.1.3 Tier III Website and Social Media Activation	30
4.1.4 Signage & Other Marketing Collateral	31
4.1.5 Note on Existing AMG Performance Center Fixtures	32
<b>5.0 – Mercedes-AMG Performance Bonus</b>	32
5.0.1 Performance Bonus Qualifiers	32
5.0.2 Performance Bonus Structure	33
5.0.3 Performance Center Bonus Fiscal Cycle	35
5.0.4 Restriction Notes of Performance Center Bonus	36
<b>6.0 – Performance Center Costs</b>	37
6.0.1 Project Cost Overview	37
6.0.2 Timing of Payments & Reimbursements	38
<b>7.0 – Revision History</b>	39



## 0.0 - Performance Center Introduction & Timing

The AMG Performance Center program is a comprehensive program to launch in early 2016 with the overall goal to strengthen the Mercedes-AMG brand and increase Mercedes-AMG unit sales. With a disciplined focus on AMG Performance Centers (sometimes referred to as “stores” or “dealerships” herein) as the key channels for Mercedes-AMG sales, we plan to create a retail experience that drives market performance and dealer profitability of Mercedes-AMG Performance vehicles.

The distinct components of the AMG Performance Center Program (“Program”) are outlined herein. The purpose of this manual is to outline the requirements and qualifications of the AMG Performance Center program in its entirety, including the AMG Performance Bonus (“Vehicle Bonus”) valued at up to a possible 1.0% or 1.5% depending on Tier Qualification as an AMG Performance Center or AMG Performance Center Elite, both described together unless otherwise specified.

With immediate effect, the AMG Performance Bonus has been extended to run from January 1, 2016 through December 31, 2019.



## 0.1 - Objective

As the Mercedes-AMG brand continues to represent and deliver the highest expression of performance within the Mercedes-Benz product portfolio with our world-class vehicles, the brand must also strive to achieve a retail experience unlike anything experienced in the automotive industry, and reward our AMG Performance Centers to committing to this vision. We will reward these AMG Performance Centers with an AMG Performance Bonus program with a tiered bonus structure earning up to 1.5%, dependent on minimum volume commitment and investment, with multiple training and brand standard requirements as qualifications. The Performance Bonus structure and details, and the qualification requirements will be outlined throughout this manual.

**Our Brand Promise** - “Driving Performance”

**Our Objective** – **Make Mercedes-AMG the *Most Respected Performance Brand in the World.***

We will accomplish this by:

- Growing overall sales and increasing market share of Mercedes-AMG Performance vehicles through model and brand proliferation across the product portfolio.
- Building awareness, understanding, and increasing consideration of the Mercedes-AMG brand.
- Incrementally increasing Conquest and Loyalty rates of Mercedes-AMG brand.
- Creating a benchmark retail experience with brand and product knowledge standards of excellence.
- Providing an engaging opportunity to demonstrate technical value of Mercedes-AMG engineering.

Four key components of the program have been developed to achieve these objectives:

*1.0 - AMG Point of Sale:* To provide an immersive experience for Mercedes-AMG customers, dealers participating in the program will offer an industry leading AMG Performance Center Point of Sale (PoS) solution featuring dedicated vehicle displays and the AMG Power Wall with a clear distinction from the Mercedes-Benz brand PoS. The AMG Performance Center PoS will enable dealers to better inform current and future customers about Mercedes-AMG products and technologies and their value over key competitors, with a more dedicated and exclusive customer experience. The AMG Power Wall is the most advanced retail sales tool in the industry with the primary focus of explaining to Mercedes-Benz customers or competitor products the inherent value of the engineering behind an AMG vehicle. [See Chapter 2.0 for further information]

*2.0 - Enhanced AMG Performance Center Training Requirements:* Regular and comprehensive in-dealer and web-based Mercedes-AMG training, previously optional but not required through AMG Field training teams, will become a mandatory requirement for Performance Centers. The intention is to support dealer sales and service personnel appropriately with the unique engineering developments of

Mercedes-AMG vehicles and their differentiation from competitive vehicles. This will provide an exceptional customer experience to the decidedly more technically-oriented and fastidious Mercedes-AMG customer. [See Chapter 3.0 for further information]

**3.0 - AMG Marketing Tier III Spend:** AMG Performance Centers will be required to contribute \$400 per wholesale Mercedes-AMG “One Man – One Engine” vehicle (e.g. Mercedes-AMG S65, Mercedes-AMG E63), with \$40 per vehicle match by MBUSA, to be spent specifically on Mercedes-AMG activations. This Tier III spend may be audited to ensure that money earned on Mercedes-AMG vehicles is spent on Mercedes-AMG marketing to drive conquest and build loyalty. [See Chapter 4.0 for further information]

**4.0 - Mercedes-AMG Performance Bonus:** By qualifying as an AMG Performance Center, dealerships will receive the opportunity to earn a sales bonus on unit sales of Mercedes-AMG vehicles *incremental* to the Mercedes-Benz passenger cars margin. This additional sales bonus, based on the above qualifiers, will be specific to AMG Performance Centers, giving these stores an opportunity to increase their profitability and reinvest in continued Mercedes-AMG sales performance for a true win-win program for all. [See Chapter 5.0 for further information]



## 0.2 - Eligibility

### 0.2.1 - Eligibility Overview

With the all new AMG Performance Center program (sometimes referred to as “The Program” herein), all earlier generations of AMG Point of Sale elements (“PoS”) and identification are no longer supported and may be removed. The new AMG Performance Center program embodies a different approach altogether with new and distinct components, with Mercedes-Benz dealers mandated to meet qualifying requirements outlined throughout this manual to obtain AMG Performance Center status and qualify for an AMG Performance Bonus. All Autohaus compliant Mercedes-Benz dealerships that choose to participate will have had the opportunity to opt-in for the new AMG Performance Center program through their MBUSA regional office, and have the opportunity to select their AMG Performance Center Tier of choosing or opt-out of the program.

Mercedes-Benz dealers that have opted-out of participating in the program (“Non-Participating Dealers”) will not be required to meet the eligibility qualifications outlined in this manual. They will not have the opportunity to install AMG Performance Center PoS, nor will they have required training or supplemented in-dealer training from the Mercedes-AMG field trainers as a qualification. These Mercedes-Benz dealerships that are Non-Participating Dealers are not eligible for receiving the AMG Performance Bonus.

**Restriction Note:** The above requirements of AMG Performance Centers are all *in addition to* requirements of Mercedes-Benz current year showroom capacity requirements. All Mercedes-Benz dealerships are required to be Autohaus compliant and in good standing in order to participate in the program. Additionally, the PoS elements for the Performance Center must fit appropriately in the Mercedes-Benz showroom in a

prominent location with direct visibility to the showroom entrance and reception desk. Placement of the PoS elements in auxiliary buildings, remote showroom space or in parking structures will not be approved.

### **0.2.2 -AMG Performance Center Delineation**

Within the AMG Performance Center program, dealers can qualify for one of two tiers of Performance Centers:

- AMG Performance Center *(Referred in this document as “Standard” Performance Center)*
- AMG Performance Center Elite *(Referred in this document as “Elite” Performance Center)*

Each AMG Performance Center tier is distinguished by the characteristics of the AMG Performance Center Point of Sale fixtures (PoS), amount of AMG Performance Bonus dealers are eligible for, minimum Mercedes-AMG Performance vehicle sales commitment, and minimum dedicated showroom space – stipulations of which are all later described in this document.



## 1.0 – Summary of Program Components

### 1.0.1 - Overview & Basic Information

As stated in “Objective (0.1),” the AMG Performance Center program consists of four key components that are base requirements for all Performance Centers, varying by and overviewed in this manual: AMG Performance Bonus based on annual and quarterly sales objective, Brand Experience Point of Sale architectural modules, Performance Center Training Certifications, and a Tier III Marketing plan specific to Mercedes-AMG. An overview of all components can be found in the table on the following page.



### 1.0.2 – Key Component Overview

Key Component	AMG 3.0 Requirements	Former Requirements
<b>AMG Performance Center Brand Standards &amp; Point of Sale Experience (PoS)</b>	AMG 3.0 Retail Program with enhanced specific fixtures: <ul style="list-style-type: none"> <li>▪ AMG Power Wall</li> <li>▪ Pit-Lane Display</li> </ul> Tiered facility requirements based on Performance Center commitment level	AMG 2.0 Retail Program (3 Year Program ended Dec. 31, 2015): <ul style="list-style-type: none"> <li>▪ AMG Visualizer</li> <li>▪ Two Featured vehicle platforms</li> <li>▪ PoS Branded Fixtures</li> </ul> PoS Standard Requirements only
<b>AMG Performance Center Training</b>	85% of Sales Consultants and Service Advisors Certified on Mercedes-AMG  Annual training cost of \$4,500	Optional  Annual Training Cost of \$4,250
<b>AMG Marketing Tier III Plan</b>	AMG-specific spend requirement, audited up to 100% of AMG-specific marketing spend	OPTIONAL
<b>AMG Performance Bonus</b>	Based upon AMG Performance level and sales volume: up to 1.0% (Standard), up to 1.5% (Elite)  Tiered AMG Performance vehicle sales volume requirements based upon AMG Sales Commitment	NOT AVAILABLE

### 1.0.3 - Involved Parties & Support

The AMG Performance Center program in the USA is managed by Mercedes-Benz USA, in consultation with AMG headquarters (Mercedes-AMG GmbH in Affalterbach, Germany) to ensure that all participating dealers are equipped the best way possible to transition over to this exciting program.

MBUSA Key Stakeholders:

*MBUSA Academy:* Responsible for Training curriculum development, Instructor-led Training, eLearning AMG training development, and tracking qualification, and general overseeing division of the AMG Field Training team.

**Strategic Retail Development:** In facilitation of the program, members of the Strategic Retail Development team are responsible for dealership qualification and the approval of Performance Center design and accrual of the sales-based bonus.

**Sales Operations:** Responsible for AMG target setting for annual and quarterly targets, and comprehensive tracking of AMG sales to ensure program compliance.

**Marketing Services:** Responsible for overall brand standards of Mercedes-AMG, auditing of Tier III marketing expenditure specifically towards the Mercedes-AMG brand, as well as any national Mercedes-AMG advertising campaigns.

**Mercedes-AMG Product Management:** Interfacing with all internal stakeholders to manage the program rollout in the U.S., as well as facilitation with the Consulting Agency to gain final approval of each architectural concept from AMG Headquarters in Affalterbach.

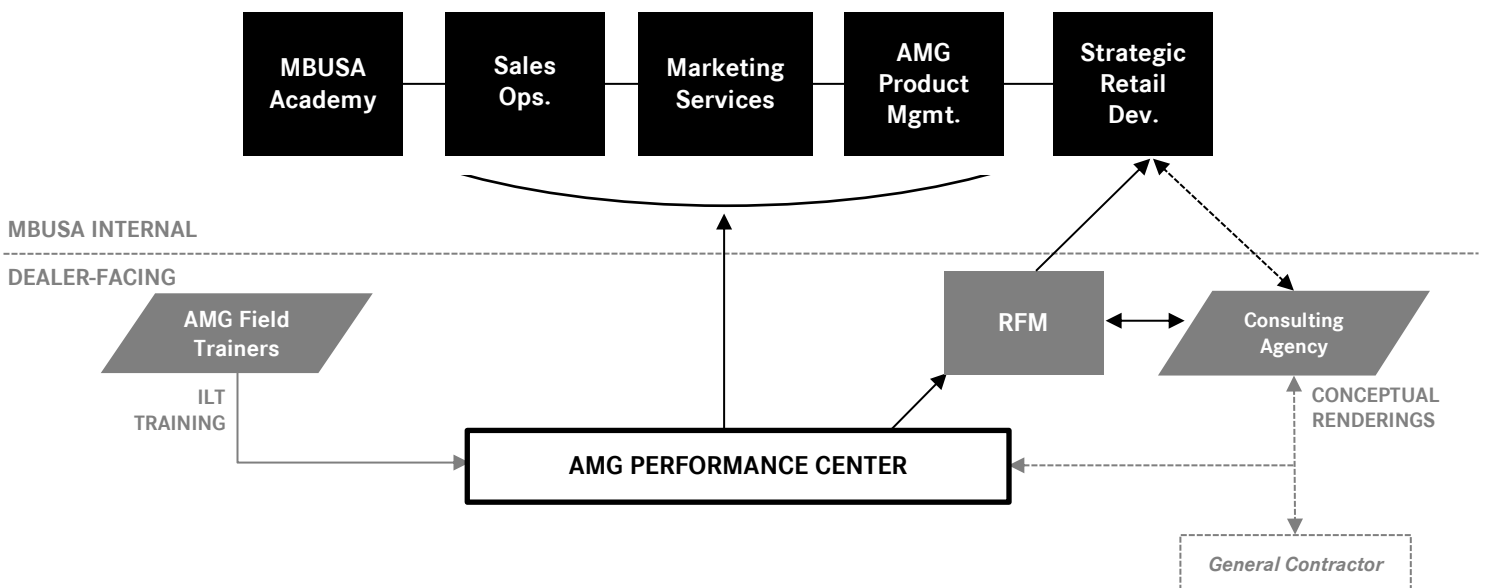
**Field Key Stakeholders:**

**Regional Franchise Manager:** The *main point of contact* for prospective AMG Performance Centers is the assigned area *Regional Franchise Manager (RFM)* throughout the consultative process of enrolling and working toward compliance in the AMG Performance Center program.

**Consulting Agency (“Agency”):** Interacting as support to the RFM is a Consulting Agency, who is participating with only direct contact to Mercedes-Benz USA (MBUSA) by providing aligned project management for the architectural build-outs of the program as well as providing dealers with individual architectural planning. More information on the Consulting Agency’s overall support can be found in Section 1.0.4.

Involved parties in the AMG Performance Center program and dealer interaction are outlined below:

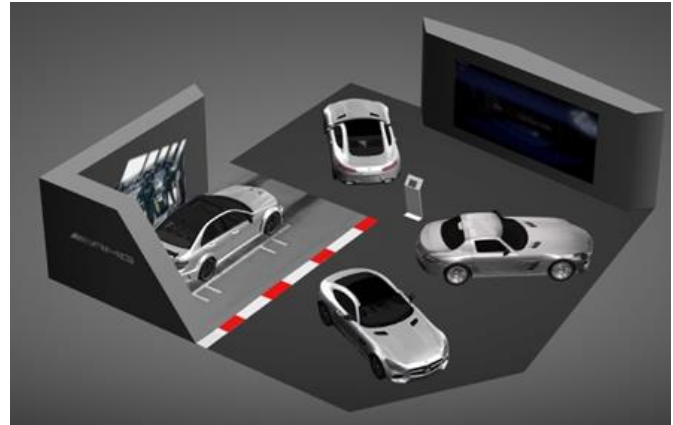
**AMG Performance Center Involved Parties**



#### 1.0.4. – Consulting Agency Project Management

The Consulting Agency plays a major role in the support of the RFM in the establishment of dealer consultations, providing real-time conceptual rendering services as part of the in-dealer consultations, and facilitating construction with the dealer's general contractor.

A conceptual rendering will be able to be built within the Consulting Agency's modeling tool as part of the dealer consultation – as shown in the image at right. The modeling software uses the standardized components of the AMG Performance Center Point of Sale elements to provide a best-fit solution individually to each prospective AMG Performance Center.



**Example Conceptual Rendering to be provided by Agency**

The Consulting Agency will also be responsible for auditing all construction throughout the project.

The dealer's general contractor and third-party construction material suppliers will be providing construction invoices and expenses to the Agency for the project. AMG Performance Centers will be responsible for submission of their Power Wall invoice to the Agency for reimbursement. AMG Performance Centers do have the option to utilize their preferred local contractor for construction. Should an AMG Performance Center elect to use their own local general contractor, all receipts and expenses must be submitted to the Consulting Agency for project-cost auditing purposes.

Overall process workflow for architectural approval is that MBUSA and AMG Affalterbach provide corporate approval before the concept goes to the dealer for final approval of the architectural concept.



## 2.0 – Performance Center Brand Standards

### 2.0.1 – Performance Center Brand Standards Overview

Much like how Mercedes-AMG vehicles set the benchmark for performance in their classes, the AMG Performance Center program is engineered from the ground up to provide an unparalleled retail experience for the entire automotive industry. AMG Brand Standards for all applicable Point of Sale (PoS) requirements are designed to deliver an immersive and remarkable experience among AMG Performance Centers, befitting the Mercedes-AMG brand's heritage, exclusivity, and technical prowess. The components and elements of the PoS will be explained in detail throughout this chapter.

## 2.0.2 – Annual Facility Certification

Launched in early 2014, the Annual Facility Certification of Autohaus compliant Mercedes-Benz passenger car dealerships is an assessment made by Region and Field teams as to the general image of the dealership facility and as to whether it meets expectations of the Mercedes-Benz brand. The unique requirements of an AMG Performance Center facility are encapsulated in this annual facility certification as conducted by MBUSA regional management. On an annual basis, an inspection report will be generated and if deficiencies are discovered, the dealer must remedy all noted deficiencies within 90 days from receipt of said notice. If deficiencies are not addressed within the allotted time frame, the dealership’s qualification for the AMG Performance Bonus may be revoked or suspended.

## 2.0.3 - Overview of Retail Standards Components

The AMG Performance Center Point of Sale (PoS) serves as a central brand and product touchpoint with existing and potential Mercedes-AMG customers. The PoS illustrates the image, look, and feel of the Mercedes-AMG brand and enables customers to experience first-hand what AMG stands for in an immersive experience. Furthermore, it supports sales consultants in their sales process by offering various helpful tools than can simultaneously be leveraged for training, in this way also enhancing the Mercedes-AMG brand experience for

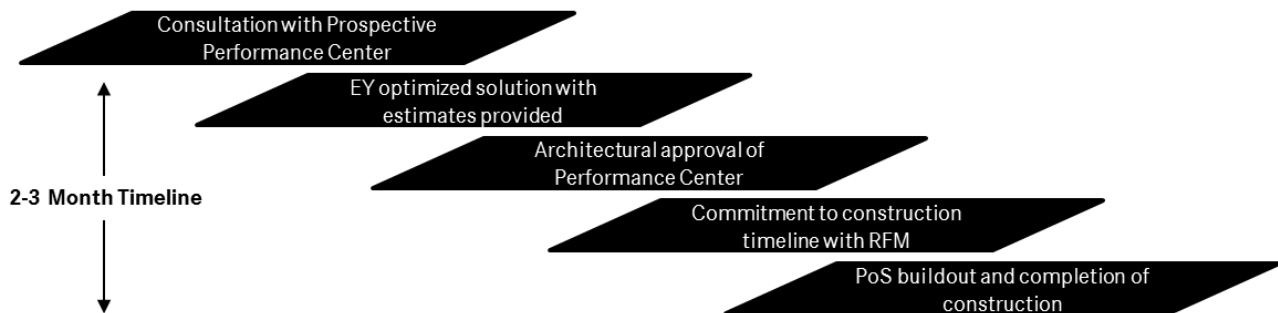
Performance Center Element	Performance Center	Performance Center Elite
Minimum Annual AMG Performance Sales Commitment	No minimum	70 units
Showroom Square Footage Recommendation	1,500 sq-ft	2,300 sq-ft
AMG Showroom Vehicles Required	Min 2	Min 3
Flooring (2.2.1)	Quartz Carpet	Quartz Carpet
AMG Power Wall Size (2.2.2)	1-screen (84”) or 2x2	3x3 or 4x4
Pit Lane Module (2.2.3)	✓	✓
Exterior Signage (2.2.4)	✓	✓
Kick-off Training in Affalterbach (2.2.5)	Recommended	Strongly Recommended
Additional Marketing Opportunities: Mercedes-AMG Brand Night (4.1.1.) Tier III & Social Media Activations (4.1.2.) Signage & Other Marketing Collateral (4.1.3.)	✓ (Including One AMG Brand Night)	✓ (Including two AMG Brand Nights)

## 2.1 Performance Center Compliance Process

### 2.1.1 - Notes and Timeline

Each AMG Performance Center solution will need to be constructed within the unique architecture of each individual Mercedes-Benz dealership to best optimize space for the concept.

In the approval process to become an AMG Performance Center, this will involve a consultation with the Regional Management per the below process:



### 2.1.2 - Restrictions of Qualifications for Bonus

*Restriction Note: For those AMG Performance Centers new to the program, , the Point of Sale (PoS) status of a particular AMG Performance Center will be reflected on the dealer scorecard and able to be viewed via NetStar. The Following parameters must be met in order for the dealer scorecard to be activated:*

- All final facility plans are approved by MBUSA in its sole business discretion
- All AMG elements are ordered and all vendor agreements are signed and approved by Dealer
- Architectural drawings required for permitting are satisfactorily completed
- All necessary permits are issued and in hand
- Proposed area in the facility is clear and prepared for construction/installation
- Existing showroom floor tile is removed/prepared in dedicated areas of construction to accept new flooring and elements

### 2.1.3 - Additional Notes of Consideration: Mercedes-AMG “One Man – One Engine” Models on Display

Non-“One Man – One Engine“ Models (e.g. AMG C43, AMG GLE43 Coupe) are encouraged to be displayed alongside Mercedes-AMG “One Man – One Engine” vehicles (e.g. Mercedes-AMG C63 S, Mercedes-AMG S63 Coupe) within any Performance Center. These vehicles have been engineered to Mercedes-AMG specifications and their unique powertrain, suspension, braking, and exhaust components, among other things, have all been engineered by AMG. These are a welcome addition to display alongside Mercedes-AMG Performance Models to

create a connection to the overall brand and maximize the AMG Performance Center investment in the program.  
*Please note: As stated in program guidelines, AMG Non-“One Man – One Engine” Models do not qualify for the Bonus.*

## 2.2 - Performance Center Brand Standards

Mercedes-AMG is widely renowned globally for manufacturing high-performance dream cars, and the brand is also set to deliver a high-performance shopping experience unique to the brand. This section will overview the required Brand Standards of an AMG Performance Center, simultaneously walking through the various key elements of the Mercedes-AMG retail experience. Key Elements are:

- “Power Wall” with 3D Modeled product showcase and brand stories (2.2.2)
- “Pit Lane Module” themed car display with a nod to Mercedes-AMG motorsports (2.2.4)
- “Kick-off Training” on Brand Standards and Product portfolio in Affalterbach (2.2.5)

### 2.2.1 – Flooring Requirements for Display Modules

Performance Center Fixture	Quartz Carpet Pavement
Power Wall Area (2.2.2)	
Pit Lane Module (2.2.3)	
	<b>REQUIRED FOR BOTH CENTERS</b>

### 2.2.2 - Power Wall



*Performance Center stores will have the choice of 1 screen (at 84”) or 4 screens placed 2X2.*

*Performance Center Elite stores will have the choice of 9 screens placed 3x3 or 16 screens placed 4x4.*

*Note: 2X2, 3X3, or 4X4 orientations consist of multiple 55” screens.*

The true showstopper of the AMG Performance Center retail experience, the AMG Power Wall, is the most advanced automotive retail experience in the world and is solely focused on selling the AMG Distinction – the value of the engineering behind an AMG Performance vehicle.

Designed as a sales tool to showcase the full range of Mercedes-AMG Performance vehicles in an interactive display, the Power Wall offers several advantages:

- Explaining the differentiation and value of AMG products from the Mercedes-Benz line in order to properly position AMG as the High-Performance Brand of Mercedes-Benz.
- Demonstrating the unique selling proposition of AMG models over the competition.
- Showcasing rare Mercedes-AMG models such as V-12 or “Pull only” models.
- Highlighting unique technical componentry at a granular level for customer understanding of Mercedes-AMG engines, drivetrains, suspensions, brakes, transmissions and others.
- Offering unique service and sales consultant training opportunities for AMG Performance Centers.

*Operation:* Operated by the gesture-based tablet on display stand placed in a location that allows the customer to see the full Power Wall (size, architecture, and vantage-dependent), different parts of the vehicle can be “exploded out” for an enhanced zoomed-in view with multiple 3D-modeled parts in motion as they would be in the actual vehicle.

Customers are also able to cycle through engineering overviews, vehicle visualizers with paint, upholstery and trim options, and brand videos illustrating vehicle differentiation (e.g. “One Man, One Engine” video).

*Performance Center Service Level Agreement (“SLA”) with Power Wall provider:* Each AMG Performance Center will be required to sign an SLA with the Power Wall provider, to include:

- Updating: Model Year and product-correctness changes updated through hardwired internet lines to the Power Wall system
- Service Support: Maintenance and repair of electronics hardware associated with Power Wall if malfunctions occur
- Customer Service: Operating instructions and customer service support for Power Wall operational questions

**Power Wall** (*Performance Center Elite 4x4 display shown*)





## Power Wall – User Perspective (*Performance Center Elite 4x4 display shown*)



*Note: The AMG Powerwall system does not offer any external inputs, and is not intended to display any content from outside devices, whether owned by the dealership or personally. This includes, but is not limited to, any Laptop, Apple TV, Chromecast, Roku, Amazon FireTV, smartphone, or phablet.*

*The service contract that you have agreed to with the technology partner, ProMotion Technology Group, does not cover any issues that may arise from connecting an external device to the Powerwall. Therefore, all service calls associated with correcting input modifications to the hardware racks, computers, and/or peripherals, will be billed as an incremental cost to your dealership.*

### **2.2.3 - Pit Lane Module.**



*Consistent sizing, look, and elements for all AMG Performance Centers.*

Designed to evoke the Mercedes-AMG brand’s longstanding domination in motorsports, the Pit Lane Module (“Pit Lane”) highlights the motorsports pedigree of the brand, as part of a vehicle display. Imagery within Pit Lane on side graphics uses an abstract interpretation of the Mercedes-AMG logo elements to evoke speed, performance, and passion. Flooring elements – the same graphics for Standard and Elite Performance Centers – mimic that of an actual circuit’s pit lane.

**Pit Lane Module**



## 2.2.4 – Exterior Signage Requirements

At each respective calendar year, the dealership facility must be in compliance with corporate identification requirements with display of the AMG Name Panel. This standard for Mercedes-AMG external signage is established to ensure clear visibility of the Mercedes-AMG brand together with the dealer’s facility in a manner that is unmistakably recognizable as being an authorized AMG Performance Center. Unless otherwise dictated by local zoning codes or ordinances, consistency in the application of these standards at each and every dealership location is required. For greater details on how to obtain the AMG Brand-compliant Exterior signage, please contact your Regional Franchise Manager.

*Restriction Note:* All Mercedes-AMG external signage elements are to be stand alone, excepting the Mercedes-Benz brand required signage, and not be displayed in combination with other brands, logos, names or messages and must be maintained in “like new” condition

## 2.2.5 - Kick-off Training in Affalterbach



AMG Performance Centers will be cordially invited to join the people responsible for creating the storied Mercedes-AMG vehicles at Mercedes-AMG headquarters in Affalterbach for a unique training event and brand immersion for AMG Performance Centers. Deep in the heart of Swabia in southwestern Germany, the Mercedes-AMG facility in Affalterbach is not only where the brand began, but is still the home to the development and management of the company including the engine assembly of the V8 Mercedes-AMG motors.

Participation of dedicated AMG Performance Centers in a kick-off training conducted by the Mercedes-AMG GmbH team in Affalterbach (attendance-limited) is *highly encouraged* for all AMG Performance Centers and will showcase the highlights of Mercedes-AMG world. When your customers purchase an AMG, they purchase a brand legacy and a network of opportunities to experience what their AMG is capable of – your knowledge will add value to customer AMG purchases.

*This Kick-off Training includes:*

- Factory Tour of handcrafted engine facility and vehicle production lines
- Brand and Product portfolio expert training
- Dynamic product training on the alpine roads of Swabia
- Sneak previews of forthcoming Mercedes-AMG models
- Access to the exclusive Mercedes-AMG Affalterbach Private Lounge
- Time spent at the Mercedes-Benz museum
- And much more (Final schedule is seasonally-dependent)



## 3.0 – Performance Center Training Certification

### 3.0.1 - Overview

At each AMG Performance Center customers will find AMG Experts to whom they can turn to with their inquiries and needs. Well-trained, informed, and enthusiastic, AMG Experts ensure an improved customer experience and an improved customer perception. To facilitate this, sales consultants, service advisors, and front-of-house employees will receive specialized AMG training. The same requirements apply for Performance Centers and Performance Center Elites: it is mandatory that 85% of all customer-facing AMG Performance Center Employees identified within this section must complete AMG training certification (3.0.4).

*Restriction Note: For qualifying period beginning Q1 2016, 85% Certification must be achieved (Coinciding with PoS requirements), excepting any extraordinary circumstances.*



### 3.0.2 - Training Qualification Requirements

Three types of AMG Training program types are included as part of the AMG Performance Center program to achieve 85% Certification of customer-facing AMG Performance Center employees: Instructor-led Training (“ILT”) provided by the AMG Field Training team, Virtual Instructor-led Training (“VILT”), and “eLearning” training - all facilitated through MBUSA Academy. Content will be varied and administered on a quarterly basis dependent on new vehicle launches, new technologies being introduced, or other points of difference for AMG vehicles deemed as a strategic priority. Due to this varied content, the qualification period will be a mandatory requirement to ensure the highest level of AMG knowledge specific to AMG Performance Centers. Participants must attend and successfully pass course post-test to receive credit.

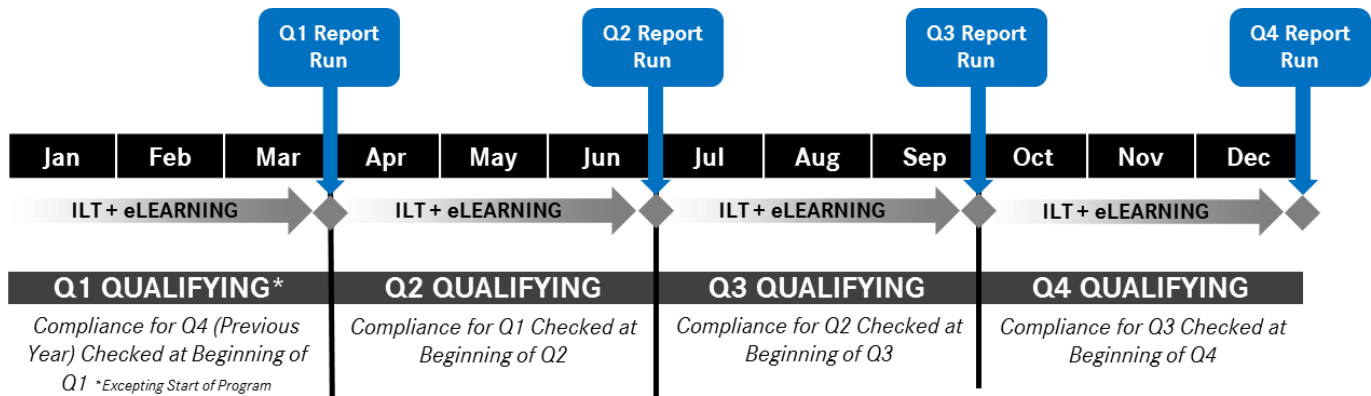
**\*Note:** \*85% of only those Job Codes listed in Section 3.0.4 are applicable to the program.

	Performance Center	Performance Center Elite
<b>Mandatory</b> certification level	85% certification of all sales consultants, service advisors, and customer-facing dealership roles*	
<b>Mandatory</b> Training for Sales Consultants & Service Advisors	Quarterly: One (1) Instructor-led Training & One (1) eLearning ( A Virtual Instructor-led Training will be offered as a makeup for the ILT )	

### 3.0.3 - Quarterly Training Cycle

The quarterly training cycle to meet mandatory minimum 85% qualification for sales consultants mirrors that of the sales performance cycle (listed in 5.0.3). At the end of each qualifying three-month period, a report will be run for the appropriate job codes applicable to the AMG Performance Center Program (outlined in next section) to determine compliance to the training qualification requirements. The report, internal to MBUSA Academy, will display qualification scores for both Instructor-led Training (“ILT”) conducted by AMG Field Trainers and eLearning training. Qualification rates under the 85% threshold for ILT, VILT or eLearning for the given quarterly qualification period will lead to bonus disqualification for the qualifying period. An example of the qualification cycle for 85% AMG Training qualification is listed as follows:

### AMG Training Certification – Qualification Cycle



*Restrictions: Near the end of each quarterly qualifying period to meet the 85% Training requirements, including any employees who require the Make-up session as outlined in “Make-up Provision 3.0.6,” a quarterly report will be run at the dealer level to verify 85% Training Qualification requirement for the applicable job codes has been met or exceeded. As a qualifier to the overall program, AMG Performance Centers who have not met the training requirement for the quarter will forfeit their Performance Bonus in the next Payout Period.*

*Timing Note: AMG Performance Centers will be given a “bye” for Training Requirements mentioned within Section 3.0 of this document only for the quarter in which the Store’s Scorecard becomes activated, upon signing of the AMG Performance Center Operator’s agreement. In the qualifying quarter following the commencement of the Store’s Scorecard, the training qualifications mentioned herein will become a qualifying requirement for the AMG Performance Bonus at the start of that successive quarter (e.g. A Q3 activation will mean that Q4 requirements must be met).*

### 3.0.4 - Job Codes

Designed to provide the AMG customer with a well-informed and knowledgeable staff befitting the highly technical nature of the product, AMG Performance Centers will be required to achieve 85% qualification specific to a series of job codes that are customer-facing. These job codes included in this qualification requirement are listed in the table on the following page.

#### *Restriction Notes of Job Codes:*

- All eligible employee Job Codes listed below are required to complete One (1) Instructor-led Training and One (1) eLearning module quarterly qualifying period.
- While all eligible Job Codes listed below require *mandatory* participation in both training modules to be completed, additional employee participation throughout the dealership is also welcomed.
- Participants who are not in an eligible job code at the time of course completion will not count toward the quarterly requirement.
- To ensure proper attribution for the quarterly objective it is recommended that any individual attending both quarterly training modules is an eligible job code prior to attendance.

### ELIGIBLE JOB CODES

<b>203</b>	Sales Manager - MB & smart	<b>314</b>	Product Specialist
<b>204</b>	Sales Manager - MB, CV & smart	<b>552</b>	Service Manager - MB
<b>206</b>	Sales Manager - New & Pre-Owned MB	<b>556</b>	Service Advisor - MB
<b>211</b>	Sales Consultant - MB	<b>706</b>	Service Manager - MB & smart
<b>212</b>	Sales Consultant - MB & CV	<b>707</b>	Service Manager - MB, CV & smart
<b>214</b>	Product Concierge	<b>733</b>	Service Advisor - MB & smart
<b>236</b>	Sales Manager - MB & CV	<b>734</b>	Service Advisor - MB, CV & smart
<b>281</b>	Sales Consultant - MB & smart	<b>846</b>	Service Advisor - MB & CV
<b>291</b>	Sales Consultant - MB, CV & smart	<b>852</b>	Service Manager - MB & CV

**Note:** 85% Training Certification is applicable to full population of only the job codes listed above (customer-facing employees).

*Make-up Provision:* AMG Performance Center employees with extenuating circumstances such as cases of extreme weather or illness will be able to participate in the sessions as outlined in the “Make-Up Provision” section below. As stated below, if the Make-Up session(s) attendance still does not meet the 85% qualification, the dealer will forfeit their Performance Bonus for the quarter.

### 3.0.5 - Technician Training

To ensure the high technical proficiency of the AMG brand is met in the aftersales space, technicians will receive annual technician training as part of the overall network Mercedes-Benz Academy training, which will also be applicable to AMG models. Therefore, all applicable requirements for the Mercedes-Benz Passenger car technician training apply for the AMG Performance Center Program. This means appointed technicians will visit of the Mercedes-Benz Regional Training Centers, with AMG models and their powertrains also featured as part of the program. For further information please see the latest technician training requirements as part of Mercedes-Benz Academy – there are no differentiated requirements specific to the AMG Performance Center program.

### 3.0.6 - Make Up Sessions

In instances of extreme weather, employee illness or other extenuating circumstance, two (2) online make-up sessions of Instructor-led Training will be offered per quarter towards the end of the qualifying period. These sessions will be Virtual Webinars conducted by the AMG Field Training Team and with comparable quarterly content to the Instructor-led training at the physical AMG Performance Center. Each Make-up session will be at varying times for employees who have varying schedules to attend. *Attendance to the make-up session will be recorded and noted as part of the overall training requirement.*

### 3.0.7 - Restriction Notes

*Qualification:* AMG Performance Centers who have not met the quarterly 85% Training Qualification of eLearning and/or Virtual Instructor-led training in one of two Make-up sessions will forfeit their Performance Bonus for the quarter.

Training objectives will need to be met to qualify for AMG performance bonus payout. When new AMG Performance centers sign operator agreements, the scorecard will be activated and the AMG training

requirement will receive a bye for the current quarter. In the subsequent quarter, the dealer will be required to meet the training objective.

*Academy Standards of Excellence:* Overall, if the required VILT or eLearning does not meet attendance requirements or dealership employee engagement requirements per the standards of excellence if MBUSA Academy (for situations where an employee is not actively participating) and/or the AMG Performance Bonus Program (for less than 85% qualification of customer-facing employees per the job codes listed above), the quarterly Performance Bonus qualification will not be met and bonus forfeited for the qualifying period.





## 4.0 – Mercedes-AMG Tier III Marketing Fund

### 4.0.1 - Overview

Coinciding with the launch of the Mercedes-AMG 3.0 Retail Program, Mercedes-Benz USA will create a dedicated AMG marketing plan in order to build awareness and conquest new customers. As we continue to grow the Mercedes-AMG model line at the top with vehicles like the AMG GT and AMG S-class Cabriolets, and with new entry models like the CLA45, GLA45, and AMG “43” Models, it is more important than ever that we advertise the most prolific sports car brand in the world. This will help to continue to build momentum for AMG and drive new prospective customers of the brand into showrooms. In addition to the MBUSA marketing plan, AMG Performance Centers will supplement with incremental marketing at the Tier III level.

### 4.0.2 - Performance Center Tier III Bonus Program

As part of the Mercedes-AMG 3.0 Retail Program, millions of dollars will be localized into a Tier III marketing program that ensures dollars earned on Mercedes-AMG Performance vehicles are spent on future success and growth of the Mercedes-AMG brand. This provides a win-win opportunity for each Performance Center to supplement corporate contribution on each Mercedes-AMG Performance unit wholesaled and invest in future business.

The AMG Performance Tier III Bonus mimics that of Mercedes-Benz Tier III Bonus in terms of contribution, and is made up of two components. For every Mercedes-AMG Performance vehicle wholesale unit (a “One Man – One Engine” vehicle - those with ‘45,’ ‘63,’ or ‘65’ nomenclature) in dealer inventory for the calendar year – the AMG Performance Center will be required to contribute \$400 into the Tier III fund. Additionally, MBUSA will contribute \$40 for every Mercedes-AMG Performance vehicle wholesale unit within dealer inventory within the calendar year incremental to the \$400 Tier III spend. This leads to a total fund of \$440 per Mercedes-AMG Performance vehicle that will accrue into a marketing fund for the dealers that may be audited with combined reporting from required creative consultation submissions, with \$240 of this to be required spend on Mercedes-AMG vehicles. The remaining \$200 may be used at the dealer’s discretion – mimicking the Mercedes-Benz Passenger Car Tier III Bonus structure.

$$\begin{array}{ccccccc}
 \mathbf{\$400} & & \mathbf{\$40} & & \mathbf{\$240} & & \mathbf{\$200} \\
 \text{DEALER} & & \text{MBUSA} & & \text{TIER III REQUIRED} & & \text{DEALER} \\
 \text{CONTRIBUTION} & + & \text{MATCH} & = & \text{SPEND PER AMG} & + & \text{DISCRETIONARY} \\
 \text{(WHOLESALE)} & & \text{(WHOLESALE)} & & \text{PERFORMANCE UNIT} & & \text{FUNDS}
 \end{array}$$

*Note: The \$240 Tier III spend per AMG Performance vehicle unit is a re-appropriation of Tier III marketing funds towards AMG, rather than an incremental contribution – money earned on AMG is therefore spent on AMG marketing activations. For additional clarification, contribution towards Tier III Marketing spend is based off wholesales of AMG Performance vehicles only, while Tier III Marketing Fund can be spent on both AMG “One Man – One Engine” vehicles, and Non-“One Man – One Engine” vehicles.*

To qualify for Tier III Marketing support Bonus and for audit compliance of the Tier III (\$240 per AMG Performance wholesale) spend, the Mercedes-AMG marketing support must have the express purpose of conquering, retaining, or informing a targeted audience about the AMG Brand or Product portfolio (listed below):

Types of activations may include\*:

- AMG vehicle launch party open to all current or future customers targeted for AMG vehicles
- Driving event at local circuit for key Mercedes-AMG customers in-market
- List buying for direct marketing for competitive vehicle owners in-market
- Mercedes-AMG placement *with* Product Specialist at local targeted event
- Mercedes-AMG specific advertisement

Types of activations may not include\*:

- Owner learning events open to *all* Mercedes-Benz customers
- Local event with display of Mercedes-AMG vehicle without Mercedes-AMG Brand information
- “Sales” or discounting event as a framing device to display Mercedes-AMG vehicles
- Mercedes-AMG logo placement not coupled with product information
- Mercedes-Benz event with a token AMG product placement

*\*All Tier III Marketing activations follow AOI coverage and general requirements as described in Mercedes-Benz RDA Guidelines*

#### 4.0.3 - Timeline of Tier III Marketing Spend Rollout

*Note: Tier III Marketing Spend (sometimes referred to as “Tier III Spend” or “Tier III Program”) portion of the Performance Center program as outlined herein will begin January 1, 2016, irrespective of completion of PoS-compliant construction.*

Overall, it is anticipated that the Tier 3 Bonus will net-out to over three-million dollars for calendar year 2017, an active contribution to Mercedes-AMG vehicle sales at the local market level. This is supplemental to the national marketing campaign to build Mercedes-AMG Brand awareness and drive showroom traffic. These figures are estimated based upon estimated financial and sales projections and are dependent upon other factors as well.

#### 4.0.4 – Restriction Notes and Requirements:

*Note: Unlike other requirements within the Performance Center program that are specific to Mercedes-AMG Performance vehicles only (e.g. Mercedes-AMG S65, Mercedes-AMG E63), the Tier III Marketing spend on the AMG brand and products is applicable to both Mercedes-AMG “One Man – One Engine” vehicles and Mercedes-AMG Non-“One Man – One Engine” models (e.g. AMG C43, AMG GLE43 Coupe), meaning that the 100% usage of this fund may be on both classifications of vehicles.*

Effective January 1, 2016: AMG Performance Centers may be audited on a rotating basis by an independent firm contracted by MBUSA for monetary compliance of the Tier III Marketing Fund. Audit frequency may increase based on indicators of improper or limited spend. Should an AMG Performance Center be found to have spent less than 100% of the Tier III Marketing fund on Mercedes-AMG models and branding, this may disqualify them for eligibility for the Performance Bonus for that given qualification period, *up to its entire annual Performance Bonus*, as determined by Regional Marketing Manager (RMM).

As stated, an AMG Performance Center is responsible to spend at least 100% of the \$240 Tier III Marketing Fund Payout on eligible AMG Performance vehicles, audited through the following process:

- Dealers selected for a program review will be notified in advance via FedEx from MBUSA Strategic Retail Development, Dealer Compliance and Integrity Support Lead.
- Our audit vendor will then contact the dealer with further details of exact procedures and required documentation.
- In some instances the Tier III Marketing Fund audit will occur via an on-site visit to the dealer by the audit firm; however, other dealers undergoing a “desk audit” will be requested to submit their marketing documentation directly to the audit firm.
- At the time of the monetary audit, dealers must provide proof of valid Tier 3 new vehicle marketing expenses as backup to their expenses posted to Account 34 of the “Dealer Financial Statement.”

All Mercedes-Benz dealer new vehicle & service Tier III marketing will be monitored monthly by the Mercedes-Benz Communication Consultation Service (MBCCS). The media channels noted will be randomly monitored throughout the year with an equitable rotation of media within the monthly monitoring process.

A dealer can notify their regional office of non-compliant marketing practices via the “Mercedes-Benz Tier III Bonus Program Submittal Form for Non-Compliant Marketing Materials,” found on the *Tier III Bonus Program* website.

*Note: Tier III Marketing fund contribution must be matched to wholesale vehicles in inventory as reported throughout the calendar year. Mercedes-AMG-specific brand and product spend are expected to be 100% matched at a minimum to Tier III Marketing fund contribution within the same calendar year. The Tier III Marketing fund will not be able to be rolled over past the calendar year’s end. As part of an annual assessment by an independent firm and in combination with creative pre-approval submissions to Mercedes-Benz Communication Consultation Services, MBUSA will validate full annual Tier III fund spend. Those AMG Performance Centers that are found to have underspent Tier III marketing fund may have their Performance Bonus assessed for the qualifying periods underspent.*

#### **4.0.5 - For Tier III Mercedes-AMG Brand Standards Compliance:**

The Mercedes-Benz Communication Consultation Service (MBCCS) has been established for consulting and monitoring services relative to the AMG Performance Center Program. All new vehicle and service Tier III marketing questions not specifically addressed in the “Mercedes-Benz Brand Communication Standards” must be submitted to MBCCS for *pre-approval prior to placement in the marketplace*. Regardless of submission, all AMG Performance Center new vehicle & service Tier III marketing will be monitored monthly by the Mercedes-Benz Communication Consultation Service (MBCCS). The media channels and creative noted will be randomly monitored throughout the year with an equitable rotation of media within the monthly monitoring process. The service is available weekdays (excluding holidays) between 9 AM and 4 PM, regardless of time zone at 1-800-790-0917, or via e-mail [info@mercedes.adcompliance.com](mailto:info@mercedes.adcompliance.com)

#### **4.0.6 – Tier III Brand Standard & Infractions**

Tier III marketing standards are to be adhered to when preparing Tier III marketing communications to maintain the integrity of the Mercedes-AMG brand and assure the dealer’s eligibility for Performance Bonus program monies. Violations of the Category I standards are harmful to the Mercedes-AMG brand image. Non-compliance with these standards lowers the prestige of the Mercedes-AMG brand in the mind of consumers, and has a negative impact on the historically high value retention of Mercedes-AMG vehicles. Category II standards address very important branding and marketing best practices that are integral to maintaining consistent brand messaging. See latest version of Mercedes-Benz Brand Standards for a more detailed overview of distinctions between a Category 1 Tier III infraction and Category 2 Tier III Infraction.

## 4.1 – Additional Marketing Opportunities

### 4.1.1 - Additional Marketing Opportunities Overview

Marketing Opportunities	Performance Center	Performance Center Elite
AMG Brand Night	1 Annual Min.	2 Annual Min.
AMG Content on .com & Social Media	✓	✓
Exclusive AMG Business cards, Signage, & Apparel	✓	✓

### 4.1.2 - Mercedes-AMG Brand Night



AMG Performance Centers will be required to host an experiential “Brand Night,” acting as a function for key customers to learn about Mercedes-AMG products, drive customers to experience the interactive PoS, and network with other local Mercedes-AMG owners to build stronger loyalty to the brand and a sense of community around our products.

Regional Marketing Managers (RMMs) are available for consultation on best practices for a Mercedes-AMG Brand Night. General guidelines are as follows:

- 1.0 – *Experience-based* – Getting customers in the latest Mercedes-AMG models, teaching customers about their new Mercedes-AMG purchases, having a party around the launch of the latest Mercedes-AMG dream car, or an on-track experience – it should be about an AMG *experience* to customers.
- 2.0 – *Creating a sense of community* – Allowing customers to network with other members of the Mercedes-AMG community, connecting the Mercedes-AMG brand to prominent local events or organizations, and creating relationships around the brand – it is an opportunity to meet others *passionate* about their dream car.
- 3.0 – *Low-pressure* – Mercedes-AMG Brand Night should be an environment where the customer can walk through and experience the product, with knowledgeable product concierges or sales consultants to answer questions along the way – it is a brand experience, not a sales experience.
- 4.0 – *Brand Commensurate* – Regardless of venue or activity of the brand night, all selections from catering, to venue, to staging elements, all should uphold the value of the Mercedes-AMG brand.

Should you have a compelling idea for a Mercedes-AMG Brand Night, we recommend you contact your RMM to get started. The Mercedes-AMG team welcomes any notes from a successful event.

### 4.1.3 - Tier III Website and Social Media Activation



As an AMG Performance Center, stores will have a remarkable opportunity to highlight Mercedes-AMG product, engineering know-how, and their own Mercedes-AMG marketing activations on their Tier III website and social media platforms. These vehicles generate enormous amounts of excitement, earned media, and cast a halo across the entire Mercedes-Benz brand. We encourage Performance Centers to be active evangelists of the Mercedes-AMG brand and product and their status as an AMG Performance Center.

In collaboration with assigned Regional Marketing Managers (RMMs), AMG Performance Centers may use their approved status as a Performance Center to draw in showroom traffic to the full PoS experience. Encouraged digital marketing activations include:

- Invitations for prospective customers to experience the Performance Center PoS
- Posting technical information on Mercedes-AMG Products
- Highlighting Mercedes-AMG Brand Nights or specific Mercedes-AMG events
- Announcing publicly available information on Mercedes-AMG product launches
- Sharing content from MBUSA and Mercedes-AMG Global channels

Tier III Asset Libraries should be leveraged for Brand Standard-compliant imagery of Mercedes-AMG vehicles on website and social media postings.

*Note: Mercedes-AMG Social Media Guidelines*

AMG Performance Centers are incredibly powerful brand ambassadors of the Mercedes-AMG brand. It is a responsibility to act in accordance with our brand values at all times, and especially when communicating on a public platform such as social media. We encourage Performance Center employees to show pride in their place of employment, the brand and its products. We also ask you to be mindful of the effect your communications can have on yourself and the brand.

*Note: Please refer to Mercedes-Benz Brand Standards for Legal Compliance and General Guidelines when using Tier III Social Media Channels.*

#### 4.1.4 - Signage & Other Marketing Collateral



AMG Performance Centers enrolled in the program will have exclusive rights to access to the following marketing collateral:

- Exterior Signage and AMG Name Panel (as required in the program) *[Section 2.2.6]*
- Mercedes-AMG-specific exterior flags
- Mercedes-AMG showroom banners
- Mercedes-AMG and Mercedes-AMG Private Lounge stickers
- Mercedes-AMG business stationary
- Mercedes-AMG business card templates
- Mercedes-AMG apparel and accessories access

#### 4.1.5 – Note on Existing AMG Performance Center Fixtures

The existing AMG Performance Center Digital Display Visualizer hardware used prior to January 1, 2016 will no longer continue to be supported with product updates pushed to the device by MBUSA, effective as of January 1, 2016.

All other non-digital fixtures of the AMG Performance Center program will not be supported by the new program, including:

- Entrance Pylon
- Presentation Platform
- Divider Wall
- Hanging Signage





## 5.0 – Mercedes-AMG Performance Bonus

This chapter will outline the elements of the AMG Performance Bonus:

- Mercedes-AMG Performance Bonus Qualifiers
- Mercedes-AMG Performance Bonus Structure
- AMG Performance Center Fiscal Cycle
- Restrictions and Notes of Performance Center Bonus

### 5.0.1 - Performance Bonus Qualifiers

Four requirements must be met by an AMG Performance Center in order to qualify for the AMG Performance Bonus (“Performance Bonus”) payouts:



### *1.0 – Invest in and install new AMG Performance Center Point of Sale (PoS)*

Dealers will have to invest in and install an AMG dedicated PoS in their dealership. The amount of investment required depends on whether a dealership is a Standard Performance Center or a Performance Center Elite. Also, the respective features of the PoS depend on the type of Performance Center the dealership is. To qualify for the AMG Performance Bonus dealers will have to satisfactorily pass the sign-off on the initial completion of the PoS. Furthermore, annual inspections will be conducted which dealers will have to pass to qualify for the bonus. [See Chapter 2.0 for further Information]

### *2.0 - Achieve AMG Performance unit sales target*

Each dealer that is an AMG Performance Center will commit to achieving a sales target set for Mercedes-AMG Performance vehicles (AMG Non “One Man – One Engine” models excluded). At the beginning of every quarter the quarterly sales target for each dealer will be communicated. The sales target will be developed with the prior year’s sales of each dealer as a factor and aligned with MBUSA’s national AMG sales target while taking into account each AMG model launch. However, if any of the quarterly targets are missed, dealers can still qualify for the Mercedes-AMG Performance Bonus by achieving the annual sales objective via the catch-up provision. [See “Performance Center Bonus Structure (5.0.2)” below for further information, see “Restrictions (5.0.4)” below for further information on Annual Catch-Up Provision]

### *3.0 - Commit to a minimum sales number for AMG (Performance Center Elite stores only)*

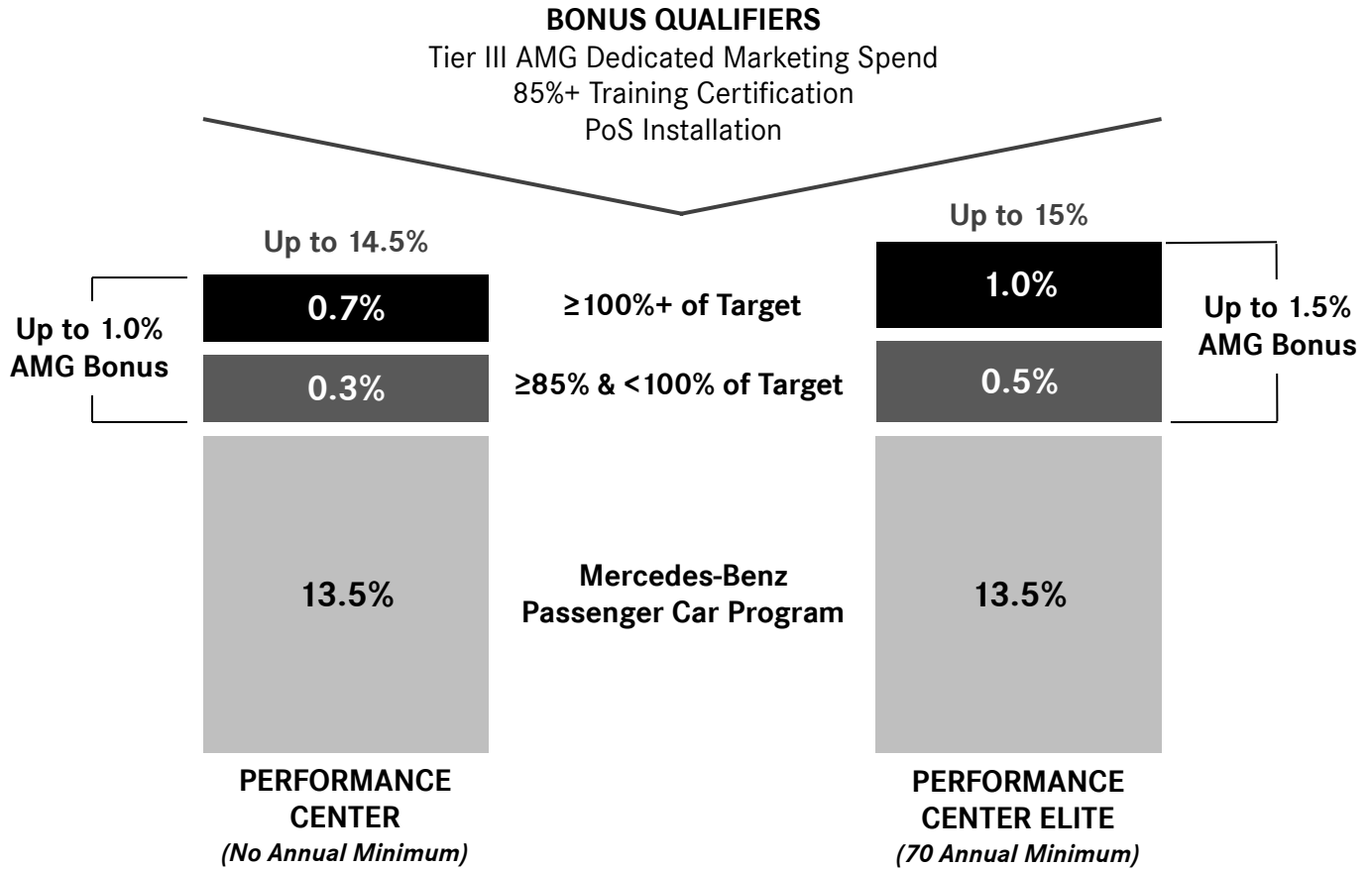
For standard Performance Centers there is no minimum volume requirement to be sold annually, whereas for Performance Center Elite stores the quantity of units sold is 70 units per year. [See Chapter 2.0 for further Information]

### *4.0 - Complete required AMG Training Certification at 85%*

At each Performance Center customers will find AMG Experts to whom they can turn to with their inquiries and needs. Therefore it is mandatory that 85% of all sales staff and front of the house service complete certain AMG training with a certification on a quarterly basis. The size of the AMG Performance Center, based on annual sales, will also dictate the number of technicians each Performance Center must send to a once-per-year AMG Technical Training course at one of the designated Mercedes-Benz Training Centers. [See Chapter 3.0 for further Information]

## **5.0.2 – AMG Performance Bonus Structure**

Upon achievement of the above qualifications and requirements, a Performance Center is then eligible for receiving the AMG Performance Bonus, which is *incremental* to the standard Mercedes-Benz Passenger Car Dealer Performance Margin Program of 13.5%.



**Note:** If Minimum AMG Sales targets are not met for Calendar Year, Performance Bonus is 0% (Elite only)

The amount of Performance Bonus a Performance Center is eligible to receive depends on whether the dealer is a Performance Center or Performance Center Elite, with differing minimum vehicle sales commitments. Individual Performance Bonus targets (Quarterly) are based on reasonable sales lift as determined by MBUSA sales forecasting, factoring in new Mercedes-AMG launches, competitive launches, and seasonal adjustments – with Annual Catch-Up Provision (noted in “Performance Bonus Fiscal Cycle (5.0.3)” and “Restrictions (5.0.4)”). Performance Centers can receive a bonus of up to 1.0% whereas Performance Center Elites can receive up to 1.5%. The table above shows the structure of the AMG Performance Bonus.

*The Quarterly objectives* will be factored under the standard logic of Mercedes-Benz passenger cars, factoring in product launches, competitive vehicle launches, seasonality, and several other marketplace factors.

*Annual Catch-up Provision* (“Catch-up”) is designed to allow an AMG Performance Center who has missed a quarterly sales target to be awarded full potential Performance Bonus based on full calendar year qualifiers and achieving objective. Should an AMG Performance Center miss the opportunity during one, two, or three of the four quarterly bonus payouts, they will be re-assessed based upon year-end sales and achievement of stated Performance Bonus Qualifiers. If the Performance Bonus Qualifiers are met, and annual sales objective achieved, the missed quarter(s) will be paid out in the following payout period in January of the following year. If a quarterly bonus is not achieved due to missing a qualifier it cannot be earned via the catch-up provision, or

any other mechanism. The Catch-up provision only applies to not achieving 100% of one, two, or three quarterly sales targets, when all qualifiers have been met throughout the year.

### 5.0.3 - AMG Performance Center Bonus Fiscal Cycle

If a dealer has met the bonus qualifications in the prior quarter, the quarter-to-date payout of Mercedes-AMG Performance vehicles (an extract of the Bonus Report) will be paid via EFT within 10 business days of the following quarter. If the qualification for bonus eligibility at quarter's end has not been met, the bonus payout will be forfeited for all eligible vehicles retailed in the following quarter. Please see the table on the following page for the payment schedule.

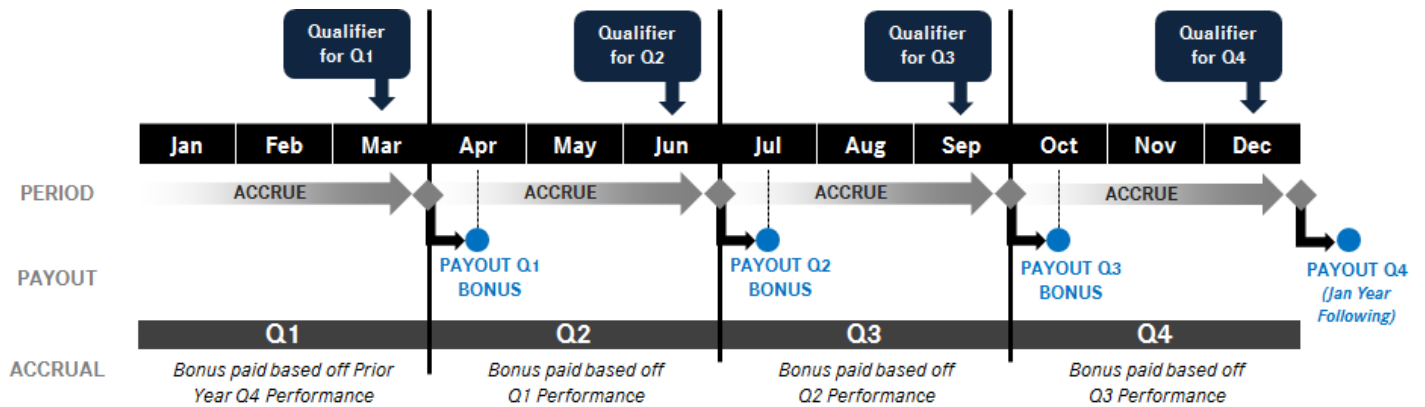
KPI Qualification For Bonus Payout	Applicable Retail Activity (Bonus accrued on Dealer Financial Statement)	Status Report: Scorecard (Qualifying Months Ended)	Month of Payment (EFT if objectives met)
<i>KPI Achievement</i>	<i>ACCRUAL PERIOD</i>	<i>PERIOD ENDED</i>	<i>BONUS PAYOUT</i>
January, February, March	April, May June	June	July(w/in the first 10 business days)
April, May, June	July, August, September	September	October(w/in the first 10 business days)
July, August, September	October, November, December	December	January of Year Following(w/in the first 10 business days)
October, November, December	January, February, March	March	April of Year Following (w/in the first 10 business days)
		December (Catch-Up)	Retroactive payment for prior missed quarters or if missed in Q4 paid in April

*Timing Note: A Store's Scorecard is considered "activated" upon receipt of fully executed AMG Performance Center Operators Agreement.*

All Bonus components will be paid out in the first month of a quarter, based upon accrued bonus from eligible DDRs from the previous quarter. The Catch-up provision will be paid at the first month of the following year if Performance Center's unique sales objective is met by year-end.

Payments will occur in the form of an electronic funds transfer (EFT). These amounts will appear as a credit to the Consolidated Account Statement while the EFT will appear as a debit. These quarterly payments will not include interest. This payment timing follows the current quarterly, MBUSA Treasury payment cycle as displayed below.

### AMG Performance Bonus Fiscal Cycle



#### 5.0.4 - Restriction Notes of Performance Center Bonus:

*Eligible Vehicles:* Dealer sales objective of Mercedes-AMG Performance vehicles of “One Man – One Engine” (e.g. Mercedes-AMG S65, Mercedes-AMG GLE63 S) do not include non “One Man – One Engine” (e.g. AMG C43, AMG GLE43 Coupe), as it pertains to this program.

*Allocation Methodology:* AMG Performance Centers will earn AMG vehicles based upon the same methodology as all Mercedes-Benz dealerships, and will not receive preferential allocation of AMG vehicles. Please reference latest “Allocation Methodology” in NetStar for the latest AMG methodology overview. In the event of a discrepancy between the historical allocation of these vehicles to an AMG Performance Center compared to the minimum Mercedes-AMG vehicle sales commitments required by the program, the dealership will need to proactively acquire additional Mercedes-AMG Performance vehicles to meet their sales commitments.

*Catch-up Provision:* The Catch-up provision (“Catch-up”) is designed to allow AMG Performance Centers to “catch-up” for any potential quarterly loss by not meeting quarterly sales objectives. If a dealer misses any quarter, but achieves their annual sales objective, they will receive the full Performance Bonus for the entire calendar year. Should a dealer miss one or multiple quarters and not meet their annual sales objective, they will not be eligible for the Performance Bonus for those quarters missed and will not be reimbursed.

*Proposed Accommodations or Requests for Review:* All proposed accommodations for AMG Performance Bonus Eligibility must be reviewed by the NRC via the Bonus/Margin Exception Process.

*POS Bonus Reimbursement:* Dealers with a signed dealer agreement, but have not achieved a green status for Point of Sale “POS” will not qualify for bonus. Once green status is achieved, POS Key Performance Indicator for prior quarter will be turned to green. Therefore, retails in the current quarter of POS activation will receive payout.



## 6.0 – Performance Center Costs

### 6.0.1 - Project Cost Overview

MBUSA developed the new AMG Performance Center Program as a win-win solution to drive AMG vehicle sales, and therefore providing benefits to the dealers and MBUSA, as well as the customer. MBUSA will subsidize the initial project cost investment required to become a Performance Center by 35%, whether the store in question is a Performance Center or Performance Center Elite store.

Project costs that are the dealer's responsibility include all costs directly related to the construction of the AMG Performance Center PoS such as the AMG Power Wall, Pit Lane module, flooring, as well as required infrastructural changes (e.g. when it is absolutely mandatory to move a sprinkler). Architectural services outside of concept renderings and necessary permitting are the dealer's responsibility and not reimbursable. The project management costs via the Consulting Agency are provided to our dealers at no cost.

Overview of Project Costs, initial capital outlay, and reimbursement structure are as stated below.

*Note: Improvements to AMG Performance Centers required as qualifications to earn a Performance Bonus, in particular installation of the Power Wall, may have a potential impact on property tax assessment. Increases to property tax assessment are not factored into the overall costs of the program as outlined in this manual, and are not reimbursable as part of the overall program. It is the AMG Performance Center's responsibility to determine any impacts to property tax assessment created through improvements to the AMG Performance Center Facility. For further information, please consult the overarching MBUSA Dealer Participation Agreement as an AMG Performance Center, and for further questions, contact your Regional Franchise Manager (RFM).*

### **6.0.2 - Timing of Payments & Reimbursements**

The initial capital for project will be required to be paid for by the AMG Performance Center. Upon gathering full invoices of project costs of installation, the Performance Center will be able to submit for reimbursement by MBUSA via the Consulting Agency. Reimbursement of eligible costs and expenses will be transacted at a flat 35% by MBUSA for both Performance Center and Performance Center Elite stores, per the above. Note that this will be in 90-day terms.

*Expense Auditing Note: Expenses (invoice) will be submitted by the AMG Performance Center to the Consulting Agency upon installation of AMG Performance Center elements for expense monitoring and initiation of the reimbursement process.*

As project management costs via the Consulting Agency are 100% paid in full through Mercedes-AMG and MBUSA, the dealer will not see these costs nor be required to facilitate them.

Upon construction completion of an AMG Performance Center, the Consulting Agency will individually audit each AMG Performance Center onsite to validate a match to construction and installation expenses submitted. All invoices and expenses related to construction of the AMG Performance Center will be referenced against completed construction to ensure submitted expenses match work performed.

For any further questions pertaining to the invoicing and subsidy payment cycle, please contact your Regional Franchise Manager (RFM).



## 7.0 - Revision History

Version	Revision	Pages Affected	Comments
V1.0	ALL-NEW	ALL	First version of Program Manual complete
V1.1	Added Training Job Codes	28	Minor Revision for Training Requirements
V1.2	MBUSA Enhancements to Program	4,14,13, 28, 38, 42-44	Adjustments to the following: <ul style="list-style-type: none"> <li>• Minimum sales commitment for non-Elites</li> <li>• Adjustments to Technician training</li> <li>• Addition of Power Wall information</li> </ul>

			<ul style="list-style-type: none"> <li>• Addition of 35% reimbursement by MBUSA</li> </ul>
V1.3	<p>SRD Enhancements to Program for NEW AMG PC Agreements in CY2016</p> <p>Adjusted all usage of “Sport Models” to OMOE and NOMOE nomenclature</p>	<p>13, 15, 16, 27, 40, 41</p> <p>ALL</p>	<p>Included “Timing Notes” where appropriate in Restriction Notes areas of document</p> <p>Usage of “One Man – One Engine” (OMOE) and Non-“One Man – One Engine” (NOMOE) terminology to differentiate qualifying vehicle lines</p>
V2.0	<p>New rules upon “scorecard Activation” of a new AMG Performance Center</p> <p>Revised PoS Requirements for both types of Performance Centers</p>	<p>ALL</p>	<ul style="list-style-type: none"> <li>• Description of an “activated” scorecard</li> <li>• Updated training requirements upon scorecard activation</li> <li>• Revised PoS</li> <li>• Updated Quarterly Bonus cycle</li> </ul>
V2.1	<p>Updates to Consulting Agency, Timing of Program</p> <p>Updates to Training Requirements of the program</p>	<p>2, 10, 11, 20-26</p>	<ul style="list-style-type: none"> <li>• 2017+ Consulting Agency TBD</li> <li>• Extended through year-end 2019</li> <li>• Technician Training no longer applicable</li> <li>• Marketing Tier III spend now audited 100% up to \$240 per OMOE wholesale</li> </ul>
V2.2	<p>Inserted clarification language for Affalterbach Kick-off</p>	<p>13, 19</p>	<ul style="list-style-type: none"> <li>• Affalterbach Kick-off is “Strongly Recommended” but not required.</li> </ul>