

GM CUSTOMER CARE AND AFTERSALES
DCS4208
URGENT - DISTRIBUTE IMMEDIATELY

Date: October 4, 2016

Subject: Working Capital Assistance Program for Used GM Vehicles
Subject to a Stop Sale/Stop Delivery Order Where Parts or a Repair
Remedy Are Unavailable

To: All U.S. General Motors Dealers

Attention: Dealer Principal, General Manager, Parts and Service Director, Service
Manager, Used Vehicle Sales Manager and Warranty Administrator

In an effort to provide support to GM dealers relating to used GM vehicles being constrained by a stop sale/stop delivery order in situations where either replacement parts or a repair remedy are not available, we have developed the following working capital assistance program.

- The program will be available to U.S. dealers that are, at all relevant times, a party to a Dealer Sales and Service Agreement with GM authorizing the dealer to sell and service new Chevrolet, Buick, GMC or Cadillac motor vehicles. The program will apply prospectively to used vehicles in inventory (i) that are subject to a stop sale/stop delivery order issued on or after October 1, 2016, and (ii) where replacement parts or a repair remedy are not available to permit the vehicle to be repaired. This program is not retroactive and is only applicable to stop sale/stop delivery orders issued on or after October 1, 2016. Dealers must have agreed to a Dealer Data Share Agreement to receive payments as described in this message.
- If a used vehicle is eligible for assistance as described in this message, GM will provide the dealer an amount equal to 1% of the average Black Book value of the corresponding model year of average condition for any qualifying used GM vehicle per month (30 days). For example, all eligible Malibu vehicles of a certain model year would qualify for the same flat payment regardless of equipment level or condition. The payment will not under any circumstances, however, exceed the average Black Book value applicable to the vehicle. If a dealer is entitled to more or less than 30 days of working capital assistance, the dealer will receive a pro rata payment based on the number of days the vehicle is eligible. Payment will be made to qualifying dealers on a quarterly basis in the form of Dealer Bonus Certificates. Please see the attached pro rata calculation examples.
- Once parts and a repair remedy are available and the recall bulletin has been released, the vehicle will remain eligible for an additional 3 days to cover part distribution time or other timing or administrative issues. The vehicle will not qualify for any payment under the program until 15 days (includes the additional 3 days noted

for part distribution) after the issuance of the stop sale/stop delivery order. In the event sufficient parts and repair procedures are made available within 12 days of the initial stop sale/stop delivery order, no payment would be made on the vehicle.

- The 1% will be paid in Dealer Bonus Certificates, each with a value of \$250, and the aggregate quarterly payments for each dealer will be rounded up to the next \$250 increment. These certificates may be applied toward any future sale or lease of a new GM vehicle. Certificates will expire after 90 days and a maximum of four certificates (\$1,000) may be “stacked” on each vehicle sale or lease transaction. Certificates will be issued quarterly, starting in January, 2017. The terms and conditions applicable to Dealer Bonus Certificates under GM’s incentive bulletins and Sales Allowance and Incentive Manual will apply. All participating dealers will be subject to audit for compliance with program requirements.

Where offered by GM and applicable, this program will be described in the pertinent recall bulletin. Vehicles eligible to receive working capital assistance in accordance with the terms and conditions of this program will be identified through inventory reports by applicable field action number. Dealers will be required to submit a request for each eligible vehicle in order to receive assistance. If a Vehicle Identification Number (VIN) is claimed by more than one Business Associate Code (BAC) or duplicated in more than one Dealer Management System (DMS) report, that VIN will not be eligible for assistance.

Additional information, including how to request assistance, documentation requirements and a detailed audit procedure will be provided in the near future.

GM reserves the right to amend, modify, terminate or cancel this program at any time in its sole discretion.

END OF MESSAGE
GM CUSTOMER CARE AND AFTERSALES

Pro Rata Calculation Examples

Example 1:

Dealer has 10 used Silverados with determined average Black Book value of \$22,000 each.

- 1% of \$22,000 = \$220 per month (30 days)

Stop Sale was for 44 days (41 days without an available part or repair procedure + 3 days for part distribution, etc).

- 44 days – 14 days (initial grace period) = 30 eligible days

Prorated Period



- 10 vehicles x \$220 per vehicle x 30 eligible days / 30 days value = \$2,200.00

The calculated Dealer Bonus Certificates would be 8.8 (\$2,200 / \$250), which would be rounded up to 9 certificates included in the quarterly allocation.

Example 2:

Dealer has 2 used Silverados with determined average Black Book value of \$22,000 each, and 5 used Tahoes with determined average Black Book value of \$30,000 each.

- Silverado
 - 1% of \$22,000 = \$220 per month (30 days)
- Tahoe
 - 1% of \$30,000 = \$300 per month (30 days)

Stop Sale was for 18 days (15 days without an available part or repair procedure + 3 days for part distribution, etc)

- Silverado:
 - 18 days – 14 days (initial grace period) = 4 eligible days
 - 2 vehicles x \$220 per vehicle x 4 eligible days / 30 days value = \$59
- Tahoe:
 - 18 days – 14 days (initial grace period)= 4 eligible days
 - 5 vehicles x \$300 per vehicle x 4 eligible days / 30 days value = \$200

The calculated Dealer Bonus Certificates would be 1.04 (\$59 + \$200 = \$259 / \$250), which would be rounded up to 2 certificates included in the quarterly allocation.