

DEVELON



Dealer Partnership
Program 2025

A-dealer

Background of the program

A. Objective

The Dealer Partnership Program (hereinafter "DPP") is designed to provide a financial incentive to dealers who meet and exceed committed sales targets stated in the Marketing Plan. Through this program dealers can earn incremental bottom line profits to reinvest into their business to further improve their Develon performance.

B. Principles of 2025 DPP

1. Reward dealers who meet and exceed their Marketing Plan sales and Market share
2. Support and reinforce desired dealer actions
3. Comprehensive performance evaluation by wholesale (WHS) and retail (RTL) performance and Market Share (M/S)

C. Terminology

1. **Completes:** New machine from a Product Group (excluding Parts).
2. **Retail Sales:** New Completes units which have been sold to end-users and Dealer rental and registered by submitting a complete delivery report to Develon through the system.
3. **WHS (Wholesales):** New Completes units which have been invoiced from Develon to the Dealer.
4. **Net Wholesale Invoiced Amount for Completes:** Invoiced wholesale amount (less discounts, subsidies or special agreements credited to dealers).
5. **Marketing Plan ("MP"):** Annual plan which highlights the sales targets agreed by dealers for Completes (WHS units and RTL units), Parts (Net Wholesale Invoiced Amount).
6. **MP Pledge:** Mutually signed document which contains the agreement of sales target and action plans.
7. **DPP Incentive:** Incentive amount paid by Develon to dealers who meet or exceed their wholesales (WHS) and Retail (RTL) performance based on MP and the M/S based on achievement vs. previous year (please refer to the DPP Incentive section for further details).
8. **Product Groups:**
 - Complete Product Group
 - » Crawler Excavator (CEX above 11T (11T is not included) crawler excavators)
 - » Wheel Excavator (WEX above 11T (11T is not included) wheel excavators)
 - » Wheel Loader (WLD)
 - » Mini Excavator (MEX 0~11T all excavators)
 - » Compact Wheel loader (CWL)
 - » Dozer
 - » Articulated Dump Truck (ADT)
 - Other Product Group
 - » Parts
 - Focus Product Group ("FPG")**
 - » Develon will provide the incentive in a specific way for large volume Product Group(s) of dealer.
 - » Develon recognizes the following Product Groups (CEX, WEX, WLD and MEX) as relevant Product Groups for which incentive is paid if the dealer has signed a certain number of units in the MP (Focused Product Group). Other Product Groups (ADT, CWL and Dozer) are without incentive and play a role only in the Eligibility rules mentioned below.
 - » Dealers will receive Quarterly incentive for FPG to be beneficial for Cash Flow.

D. Ground rules

1. The English version of the DPP 2025 is the sole official and binding version.
2. Develon Partnership Program is governed by the Distributor Agreement made by and between HD Hyundai Infracore Europe s.r.o. and dealers. Any contravention of the Distributor Agreement will lead to cancellation of entire DPP incentives in the respective year.
3. Validity of the DPP 2025 ends on 31st December 2025 and any decision/payment made in DPP 2025 doesn't guarantee any right of the dealer to obtain similar decision/payment in the future.
4. DPP achievement evaluation

The achievement of completed sales will be evaluated based on the retail/wholesale sales units for affected period (retails confirmed by the delivery reports registered in the system) excluding the retail/wholesale units related to special conditions of sale agreed upfront between Develon and the dealer. Meaning for retail performance the DR submit date is the relevant date, in other words the day the dealer responsible person declares the machine in the system not the delivery date.

- » Machines retailed into dealer's rental fleet (via retail delivery report) can be considered as retail only if retained more than one year in the dealer rental fleet.
- » Key Account retail sales as well as Net Wholesale Invoiced amount done with Develon Key Account Department intermediation will be excluded from DPP calculation.

DPP performance evaluation for dealers, whose contractual territories have changed during 2025 through acquisition or reduction, will be revisited on a case-by-case basis.

5. If the delivery time of a machine/machines are postponed due to supplier difficulties or other circumstances, Develon cannot take these machines into account in the DPP as long as the machines will be retail reported in the system. For WHS (wholesales) it can be only counted once it is invoiced to the Dealer.

Incentive program overview

E. Dealer classification

Develon classifies dealers into separate groups based on 2025 MP and historical business turnover with Develon to provide a proper incentive scheme by classification level. The DPP classification level is valid for the year of the DPP and can be amended. Develon has the right to disclose or withhold (either partially or fully) the results of its internal audit used to define the DPP dealer classification.

F. DPP Incentive eligibility

For a dealer to be eligible for any DPP Incentive, it must meet each of the following criteria:

1. Be bound by a valid and in-force (according to the duration clause) Distributor Agreement with HD Hyundai Infracore Europe s.r.o. signed and on file with HD Hyundai Infracore Europe s.r.o.
2. The content of the MP must be mutually agreed between Develon and the dealer, signed by the dealer at MP Pledge and must be submitted to Develon no later than November 30th, 2024.
3. The dealer's payment account with Develon (and if applicable at BNP PARIBAS LEASE GROUP SA for Floor Plan) should be completely up-to-date. DPP Incentive can be withheld or cancelled if there is any overdue payment in dealer's payment account.
4. Delivery reports must be submitted to the Develon warranty system with complete and accurate information immediately after the sale.
 - Develon reserves the right to audit dealers' inventory at Develon discretion, without notice.
 - Develon will conduct random checks to ensure accuracy of the reported retail information (consisting of direct calls to customers based on retail report information)
 - False reporting (timing) and inaccurate contact information will be counted as failure.
 - In case a failure is identified during a Develon audit, the distributor will lose eligibility to participate in DPP and forfeit any remaining payments.
5. **Dealer must achieve at least 80% of the 2025 MP targets for RTL and WHS of all Product Groups.**
 - Minimum requirements to be eligible for FY remaining balance: 80% achievement of yearly retail sales and wholesale sales target for each Product Groups (CEX, WEX, WLD and MEX). Also 80% achievement of yearly retail sales and wholesale sales target of following Product Groups (CWL, ADT and Dozer) combined needs to be met.
 - 80% achievement of yearly Net Wholesale Invoiced Amount target for Parts needs to be achieved.
 - 70% achievement of the yearly Training Score (attendance) in DSAT needs to be fulfilled.
 - **SOD (Scheduled order discount) target needs to be fulfilled every quarter to be eligible for DPP incentive.** For further details please see SOD rules at separate Scheduled Order Discount Rules document.
 - **Full fiscal year Dealer Planning (DP) by month and by model, corresponding to signed MP, has to be submitted every quarter to Develon. Dealer Planning submission deadline is within the 10th of the first month of every quarter.** Template will be provided to the dealer beforehand by Develon. In case dealer fails to submit DP, he will lose eligibility for the DPP incentive.
6. All safety campaigns (class AA) must be communicated to all customers within 5 working days and must be fully completed as soon as possible and under no circumstances later than 90 days as from the date of the campaign

bulletin. In addition, all mandatory campaigns (class A) must be fully completed as soon as possible and, in any case, within the year of the campaign bulletin received by the dealer.

7. Develon will only count those units as "Retail" also for M/S evaluation which are sold in the territory according to dealer contract and Machines disconnected from TMS device may be excluded from DPP calculation. In accordance with Article 12 of Distributor Agreement (Sales outside the Territory), any violation of Prohibition of sales outside the Territory shall entitle Develon to cancel Distributor's eligibility for entire DPP incentive for the current year.
8. The outside the territory rule also applies to the machines sold to dealer's rental fleet and stay less than 1 year or have less than 60 hours of usage with a previous year's plate.
9. Failure to meet one or more of the above criteria will result in the dealers incentive being reduced or dealer being ineligible for the DPP Incentive. Ineligibility for the DPP program results in loss of the entire incentive.

G. Overall Incentive scheme – Quarterly RTL/WHS and Market share (M/S)

1. Achievement level of Completes vs. MP will be evaluated by retail sales units and wholesale sales units (excluded outside territory and Key account sales) for affected period by Product Groups.

There is no DPP incentive scheme for ADT/CWL/Dozer, Parts and Training Score (ADT/CWL/Dozer, Parts and Training Score only in eligibility rule defined above).

Develon will provide DPP Incentive with different percentages depending on the achievement level.

Actual DPP Incentive will be calculated by **Payment rate X Net Wholesale Invoiced Amount** for affected period (Attachment sales is not included in Net Wholesale Invoiced Amount).

RTL/WHS Volume incentive scheme A-DEALER

- Achievement < 90% → No incentive
- 90% ≤ achievement < 100% → **0.5%**
- 100% ≤ achievement < 120% → **1.0%**
- 120% ≤ achievement < 150% → **1.5%**
- 150% ≤ achievement → **2%**

If the volume target of a dealer in (a) specific product group(s) is above a predefined level, the product group(s) will be considered as Focus Product Group, and others as Normal Product Group.

MP target for Retail and Wholesale is equal. WHS and RTL FPG and Non-FPG incentive is calculated separately with the same calculation scheme.

2. Achievement level of Market share (M/S) 2024 actual vs. M/S 2025 actual will be evaluated by total retail sales units (excluded outside territory and Key account sales) and Industry for full year.

There is no DPP incentive scheme for ADT/CWL/Dozer, Parts and Training. (Only in eligibility rule defined above).

Develon will provide DPP Incentive with different fixed amount depending on the achievement level.

M/S 2024 vs. M/S 2025 Actual

| A-Dealer Total M/S | | | | | | | | | | | |
|--------------------|-------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
| 2024 | | | | | | | | | | | |
| From | Until | vs. Y-1 | Incentive | vs. Y-1 | Incentive | vs. Y-1 | Incentive | vs. Y-1 | Incentive | vs. Y-1 | Incentive |
| 0,0% | 2,0% | +0%p | 5K | +0,6%p | 10K | +1,0%p | 20K | +1,3%p | 25K | +1,5%p | 30K |
| 2,1% | 4,0% | +0%p | 5K | +0,5%p | 10K | +0,8%p | 20K | +1,1%p | 25K | +1,4%p | 30K |
| 4,1% | 6,0% | +0%p | 5K | +0,4%p | 10K | +0,6%p | 20K | +0,8%p | 25K | +1,2%p | 30K |
| 6,1% | 8% | +0%p | 5K | +0,3%p | 10K | +0,5%p | 20K | +0,7%p | 25K | +0,9%p | 30K |
| 8,1% | 10% | +0%p | 5K | +0,2%p | 10K | +0,4%p | 20K | +0,6%p | 25K | +0,8%p | 30K |
| 10,1% | > 10% | +0%p | 5K | +0,1%p | 10K | +0,3%p | 20K | +0,5%p | 25K | +0,7%p | 30K |

Currency Euro, UK dealers converted in GBP (same amount of EU dealers)

H. Normal Product Group

1. Sales target will be defined on an annual basis in 2025 MP Pledge.
2. Target achievement will be evaluated yearly, based on the delivery reports registered in the system.

DPP Incentive for Non-FPG is expected to be paid in March/April 2026, subject to the dealer complying with "Quarter to date rule and DPP Incentive Eligibility" referred to below.

I. Focus Product Group

1. Retail and Wholesale sales target will be defined by quarter in 2025 MP Pledge.
2. Retail and Wholesale sales target achievement will be evaluated on a quarterly basis.
3. The amount of quarterly payment is calculated by the payment rate in the quarter multiplied by the net wholesale amount invoiced in the quarter.
4. Attachment sales are not included in Net Wholesale Invoiced Amount.
5. Retail and Wholesale sales for each quarter will be counted independently from the other quarters. (Dealers' arbitrary distribution across quarters is not allowed).
6. Dealers will receive Quarterly incentive for FPG to be beneficial for Cash Flow.

J. Market share (M/S) full year

1. Market share target achievement will be evaluated on full year basis, based on the delivery reports registered in the system during the year and Industry data vs. achievement 2024.
2. The amount of full year payment is calculated by the achievement level and the fixed amount.
3. ADT, CWL and Dozer are excluded for M/S.

DPP Incentive for Market share is expected to be paid in March/April 2026.

K. DPP Incentive Quarterly payment

1. **DPP incentive payment expected schedule (Payment schedule is subject to change without pre-notice):**
 - 100% of Q1 RTL/WHS FPG incentive: May/June 2025
 - 100% of Q2 RTL/WHS FPG incentive: August/September 2025
 - 100% of Q3 RTL/WHS FPG incentive: November/December 2025
 - Remaining RTL/WHS FY Balance: March/April 2026
 - 100% of Q4 RTL/WHS FPG incentive
 - 100% of FY RTL/WHS Normal Product Group incentive
 - 100% M/S incentive: March/April 2026
2. **Quarter to date rule**

Quarter to date (QTD) achievement (actual retail/wholesale vs. MP) should be above **80% for each FPG for Q2 and Q3.**

$$Q2 \text{ QTD} = Q1+Q2$$
$$Q3 \text{ QTD} = Q1+Q2+Q3$$

If dealer does not achieve the 80% Q2 QTD rule in an FPG then the dealer could lose their eligibility for Q3 incentive. If a dealer not achieve the 80% Q3 QTD rule in an FPG then the dealer could lose their eligibility for Q4 and FY remaining balance.

The dealer will still qualify for Q1 and Q2 incentives for FPG.
Develon can make an exception based on market situation.
3. **Failure to meet "Quarter to date rule" and "DPP Incentive Eligibility" will result in the dealer being ineligible for DPP incentives according to the rules defined above.**

Payment breakdown table: (Remaining FY Balance = 100% Q4 +100% Non-FPG):

| | | Q1 | Q2 | Q3 | Q4 | FY |
|---------------------------------|---------------------------|------|------|------|--------------|--------------|
| Retail/ Wholesale Volumes | RTL FPG | 100% | 100% | 100% | 100% Reserve | |
| | WHS FPG | 100% | 100% | 100% | 100% Reserve | |
| | RTL/WHS Non-FPG | | | | | 100% Reserve |
| M/S FY Total | Increase vs Previous year | | | | | 100% |

QTD and Eligibility rules

Quarterly Retail/Wholesale Volume target example. Here only Q1: First Quarter Retail target and achievement

| RTL/WHS Quarterly example | | | | | | | |
|---------------------------|-------------|--------|---------|-------------|----------------|------------|---------------|
| 1) Q1 | Product FPG | Target | RTL/WHS | Achievement | Incentive rate | Q1 Net WHS | FPG Incentive |
| | CEX | 11 | 11 | 100% | 1,00% | 806 686 | 8 067 |
| | WEX | 8 | 10 | 125% | 1,50% | 1 163 735 | 17 456 |
| | MEX | 9 | 14 | 156% | 2,00% | 1 045 657 | 20 913 |
| | | | | | | | 46 436 |

Market share (M/S) example for full year: Full year 2024 M/S actual vs. 2025 M/S actual achievement

| Dealer | Total M/S 2024 (EXCL. ADT, CWL, DOZER) | Total M/S 2025 (excl. ADT, CWL, Dozer) | % Diff. | Incentive |
|----------|--|--|---------|-----------|
| Dealer 1 | 1,0% | 1,8% | 0,8% | 10 000 |
| Dealer 2 | 8,0% | 8,9% | 0,9% | 30 000 |
| Dealer 3 | 12,0% | 12,5% | 0,5% | 25 000 |
| Dealer 4 | 20,0% | 21,3% | 1,3% | 30 000 |
| Dealer 5 | 2,5% | 2,5% | 0,0% | 5 000 |

M/S 2024 actual vs. M/S 2025 actual

| A-Dealer Total M/S | | | | | | | | | | | |
|--------------------|-------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
| 2024 | | | | | | | | | | | |
| From | Until | vs. Y-1 | Incentive | vs. Y-1 | Incentive | vs. Y-1 | Incentive | vs. Y-1 | Incentive | vs. Y-1 | Incentive |
| 0,0% | 2,0% | +0%p | 5K | +0,6%p | 10K | +1,0%p | 20K | +1,3%p | 25 K | +1,5%p | 30K |
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| 6,1% | 8% | +0%p | 5K | +0,3%p | 10K | +0,5%p | 20K | +0,7%p | 25K | +0,9%p | 30K |
| 8,1% | 10% | +0%p | 5K | +0,2%p | 10K | +0,4%p | 20K | +0,6%p | 25K | +0,8%p | 30K |
| 10,1% | > 10% | +0%p | 5K | +0,1%p | 10K | +0,3%p | 20K | +0,5%p | 25K | +0,7%p | 30K |

Payment procedure

The DPP Incentive will be paid in the currency in which the dealer is invoiced by Develon, under the form of a credit note from Develon to the dealer.

This credit note will be sent to the dealers, at the bill to address.

The credit note will be cleared against the most aging invoices of dealer's account.

Subject to the above, only amounts higher than the equivalent of Euro 1 000 will be paid. Amounts below Euro 1 000 will not be paid and will not be carried forward to any future incentive plan.

For any question related to DPP, please contact your **Regional Manager**.