

NationaLease Standards

(Effective 8/1/19)

These Standards are applicable to all NationaLease Members.

I. PERFORMANCE

- A. Facilities. Member shall operate modern, well-equipped garage or shop facilities, capable of rendering on-site repairs to other NationaLease Members' vehicles under the reciprocal service program.
- B. Financial. Member shall possess a good credit rating and a history of prompt payments. The company shall be adequately financed and the principals shall be of reputable character.
- C. Registration of Locations and Vehicles. Each Member shall register and pay fees on each location where Member does business as a truck lessor. This includes Headquarters Facilities, Additional Facilities and Captive Facilities. In addition, the Member shall register and pay fees on all vehicles used in the leasing business.
- D. Communication. Each Member shall maintain an upgraded Internet-based communications system at its Headquarters Facility to conduct electronic mail (E-mail) correspondence and electronic funds transfer (EFT) business with the Home Office.

II. TRADEMARK

- A. Trucks. The Member shall have all rental equipment painted and lettered as illustrated in the NationaLease Vehicle Graphics Manual. All lease vehicles shall be identified by two NationaLease logos (4" x 4" decal) identifying the truck as a NationaLease vehicle.
- B. Building. Member shall identify each building and/or service area, which has been registered with NationaLease with an authorized NationaLease outdoor sign. (captive locations optional)
- C. Stationery. Member shall employ the NationaLease emblem on all stationery and related supplies.
- D. Local Advertising. Member shall indicate on all local advertising the Member's NationaLease membership.
- E. Telephone. Member shall answer the leasing company telephone as "NationaLease" in conjunction with, or in addition to, their own name (e.g., Jones NationaLease or Jones Truck Leasing, affiliated with NationaLease, etc.).

III. PAYMENTS

- A. Payments. Members shall make prompt payments of all NationaLease invoices to Home Office and reciprocal service payments to Member(s) rendering reciprocal services within invoice terms or they may be suspended and/or terminated without appeal. Upon suspension, the Member may be turned over to a professional collection agency.
- B. Frequency Rule. Members suspended twice within any 12-month period shall be terminated without appeal.

IV. SERVICES

- A. Cooperation/Reciprocal Service. Member shall provide prompt and efficient reciprocal service, seven days per week, 24 hours per day. Reciprocal service is emergency service, i.e., service necessary to return the vehicle to its domiciled location. Reciprocal Service repairs are defined as follows:
 - Tire Repair or Replacement
 - Electrical problem, lights, alternator, starter, A/C, heater, instrument malfunction, etc.
 - Oil leaks, water leaks, air compressor or air leaks,
 - Clutch adjustment or replacement,
 - Starting problem, fuel filter problems, etc.
 - ECM Malfunction,

- Suspension & Brakes,
- After-Treatment & Emission Systems
- Refrigeration Repairs limited to the above.
- Trailer repairs limited to the above.

Reciprocal service exceptions to consider:

- Other repairs not listed above and that take longer than an average shift of eight (8) hours are considered “Major Repairs” and would NOT be included in the Reciprocal Service program.
- Substitute vehicle rental charges exceeding 28 days. The providing member will need to review and approve credit beyond 28 days. Reciprocal Service substitute rates need not apply beyond 28 days.

Reciprocal service is not routine maintenance, although members can provide such services if they wish. (Note: NationaLease is not responsible for invoices related to routine maintenance or other non-emergency services). All members are required to provide reciprocal service for registered vehicles of other NationaLease members if those vehicles are traveling outside their domiciled location and when within a ten (10) air-mile radius of a member’s maintenance facility. In the event a vehicle requiring reciprocal service is not located within a ten-mile radius of a maintenance facility of another member, the member with a maintenance facility closest to the vehicle must provide such reciprocal service.

Some members domicile vehicles in another member’s reciprocal service area of responsibility. Members are not required to provide reciprocal service for another member’s equipment domiciled within their area of responsibility. They are encouraged to work out a maintenance program at normal labor rates. Only the following charges for reciprocal service are approved. Exceptions can be made only by the NationaLease President.

- (1) Labor rates charged other members must be based on the current ServiCenter page shown on www.nationalease.com as the definitive source where there are questions or formal grievances. The labor rate is determined by using a multiplier of 2.5 times the hourly rate of the highest paid journeyman technician at each full-service leasing facility.
 - A premium labor rate (to be charged only when the shop is closed or if the member requesting services authorizes overtime) is determined by using a multiplier of 3.5 times the same hourly rate.
 - (2) For repairs deemed Reciprocal Service, as defined above, labor rates apply even when actual repair time exceeds 8 hours. If a repair does not qualify as Reciprocal Service, as defined above, labor rates need not apply; however, any labor time required for diagnosing repair should be billed at labor rate.
 - (3) Parts will be charged at cost plus ten percent.
 - (4) Substitute vehicle charges shall be the Member’s published daily rental rate. A maximum rate schedule is published annually.
 - (5) Environmental charges may not exceed two percent of the total labor charges.
 - (6) Mileage charges will be limited to \$1 per mile (portal to portal) and will be reviewed annually. (Canadian members are limited to \$.62 per km)
 - (7) Shop supplies (nuts, bolts, coveralls, unbillable amounts of oil or grease, wipers, etc.) may not exceed five percent of the total labor bill.
 - (8) If a Member is unable to provide reciprocal service through its own organization, and the member needing reciprocal service requests and approves it, the Member shall arrange for equipment assistance and credit by a reputable organization at the most reasonable cost, as expeditiously as possible. Even when a member can not assist personally, they are required to lend their expertise, local connections and credit assistance to another member needing service.
 - (a) Handling. If an outside vendor must be called to provide service when a Member cannot, a five-percent, maximum \$50 mark up, may be charged to the serviced member.
 - (b) Members utilizing a pre-arranged emergency services vendor, such as NationaLease Road Rescue, to handle their emergency breakdowns may not invoice the per call or event service fee to the party requiring emergency service.
- B. Fuel. The Member shall have fuel available during reasonable business hours. If a Member doesn’t have on-site fuel available, the Member is required to make arrangements with a local

- fuel provider.
- C. **Member Fuel Agreement.** Members shall provide fuel to any member outside domiciled location at delivered cost (invoice cost, including freight) plus twelve (12) cents per gallon U.S. or 3.2 cents per liter Canadian. No mark up or handling fee can be added to the cost of third party fuel transactions for other members. Payment for fuel must be made within seven (7) days.
- D. **Substitute Vehicles.** The Member shall have adequate daily rental vehicles or help obtain rental vehicles for any disabled vehicle of another member. A five-percent handling charge, not to exceed \$50, may be added for handling the substitute if the substitute is obtained from another source. For all such rental vehicles supplied by the member, member shall have available, and upon demand shall supply, Electronic Logging Devices (“ELD”) fully compliant with all ELD rules and regulations.
- E. **Payment.** Services rendered for a member by another Member for reciprocal service are due and payable within 30 days of billing. Fuel purchases are due and payable within 7 days of billing.
- F. **Procedures.**
- (1) ***Promptness.*** Reciprocal service shall be rendered as expeditiously as possible, with priority given to road calls and the vehicles of other Members. A Response and Commitment should be made within 15 minutes of a call. The goal is to have the vehicle on the road or a substitute provided within 2 hours. Failures will be added to the Enforcement provisions of the Test Call Program (5b.)
 - (2) ***Communication.*** When possible, after the initial breakdown notification, all communication about the emergency should take place between service managers. A reasonable time will be given for the completion of the necessary repairs. If the repair cannot be made in the amount of time promised, a call will be made to the Member immediately so he can advise his customer. Constant communication is an absolute necessity. When the job is completed, a call will be made to advise the member of the estimated cost and request a purchase order number.
 - (3) ***Quality.*** Charges for work performed on the vehicles of Members should be reasonable and repair service of top quality.
 - (4) All necessary details about the repair job will be recorded on a Breakdown Repair form and maintained by the Member providing service. If further action is required, a copy of this information will be faxed to the member needing service. The NationalLease breakdown repair form (located on the Home Page of www.nationalease.com) is recommended.
 - (5) ***Quality Assurance Program.*** To measure and improve Reciprocal Service, the Home Office monitors the live breakdown calls conducted each month by NationalLease Road Rescue on behalf of our members. The goal is to call each facility twice per year. For any member not receiving an actual breakdown call in a 6-month period, test calls will be conducted in January and July. The following standards must be adhered to:
 - a. **Good Call** – Response within 15 minutes of the first call followed by a commitment to provide service or locate a substitute vehicle.
 - b. **Enforcement** – Members not meeting the requirements will be published in the NEWS. In the event of an unsatisfactory call, the Member’s Company Rep will be notified immediately. **Members who fail to handle a Reciprocal Service call according to Reciprocal Service standards, will result in a fine of \$100, for initial offense, \$200 for second offense, and the third offense within a 12-month period \$400, and will be reviewed for possible suspension or termination by the Board of Directors.**
- G. **Dispute Resolutions:**
- (1) ***Adjudication.*** Contested invoices involving reciprocal services between Members shall be paid to NationalLease Home Office by the respondent and placed in escrow pending arbitration by the System's President and/or Past Chairman; failure to settle at these first and second levels of NationalLease adjudication shall mandate binding arbitration at the third level by the Board of Directors.
 - (2) ***Past Due.*** Past due reciprocal service invoices between System members may be reported to NationalLease Home Office for collection by the staff under the Instant Action collection program, after 30 days and with proper documentation, including proof of efforts to collect by the claimant (statements, letters, phone calls, etc.). Delinquent members then have 15 days from the date the Instant Action past due notice is issued

from Home Office to make payment, or be subject to the same suspension and termination regulations which apply to NationalLease affiliation (excluding arbitration procedure applications).

- (3) Questions. Any invoice in question should necessitate a call to the Member within five days of receipt, plus a written memo as follow-up. An answer should be given immediately and an agreement reached so the bill can be processed for prompt payment.

- H. Data. Member shall immediately advise NationalLease Home Office of any change in locations, telephone numbers, hours of operation, and pricing information for all service facilities for posting in the ServiCenter Directory/Roster.
- I. 24-Hour Telephone Service. Each Member must provide 24-hour, seven-day communication for emergency reciprocal service. This does not mean that all members must remain open 24 hours. Rather, the member must be able to dispatch an on-call technician or make arrangements with a local emergency shop on a seven-day, 24-hour basis.

V. BUSINESS DEVELOPMENT

- A. Solicitation. Each Member shall give priority to leads and referrals furnished by NationalLease Home Office or other Members in the soliciting of new truck leasing business in the name of NationalLease.
- B. Cooperation. Each Member shall assist NationalLease Home Office in seeking national account business, which may be based in several areas and benefit a number of members.

VI. SYSTEM RESPONSIBILITIES

- A. Membership in NationalLease. Each Member shall meet all conditions of membership in NationalLease.
- B. Meetings. Each Member shall regularly attend and participate in meetings of NationalLease, including attendance by at least one representative at the Annual Meeting. Attendance by at least one maintenance person is mandatory for the annual Maintenance Directors Clinic.
- C. Data. Each Member shall respond promptly to questionnaires, correspondence, and other forms within NationalLease, and shall treat information confidential when so labeled.
- D. New Members. Each Member shall help solicit and secure new members.
- E. GreenShop®. Each Member shall operate its service facilities in compliance with prevailing Federal, State/Provincial, and local requirements in order to demonstrate a System-wide, ongoing commitment to environmental and safety excellence.

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NationalLease Home Office

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