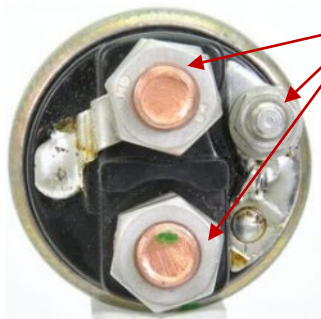


ROEL: New 2018 Exclusive OE Improvements

2018 failure analysis of OE units resulted in 5 major BBB product upgrades impacting over 6.7 million vehicles in operation. Upgraded units include:

- Mitsuba starter
- Delco PMGR starter
- Nippondenso OSGR starter
- Ford 6G alternator
- Chrysler alternator

In addition, an anti-corrosion tin plating is now being used on the hardware of all units.



Solenoid with tin plated hardware



Unit: Delco PMGR Starter

OE Issue: Oil Intrusion

BBB Upgrade: Custom gasket used to seal housing

Improved Design

OE Starter

Custom Gasket

ROEL: 2018 New Coverage Projection

1. Maintain a full coverage catalog with the most coverage
2. OE style catalog with minimal consolidations
3. Add late model coverage of domestic and fleet vehicles 100 parts in 2018
4. Close the gap between domestic and import coverage in late models 2018
5. Introduce 100% new unit coverage that will modernize the lineup for 2019

We are on plan for the year and will exceed our goal by Q4!

	2018 YTD	Since last AWDA
SKUs Released	69	105
Vehicles in Operation	+4.6M	+11.1M

Price Increases

Product Line	Tariff RD1 Sept. 15	General Nov. 15	Tariff RD2 Nov. 15	Total Nov. 15	TOTAL ALL
New ROEL			8.7%	8.7%	8.7%
Reman ROEL			0.4%	0.4%	0.4%
New Steering Pumps	16.1%			0.0%	16.1%
Reman Steering Pumps	2.9%	2.6%		2.6%	5.5%
New Steering Racks			7.2%	7.2%	7.2%
Reman Steering Racks		2.6%	2.5%	5.1%	5.1%
New Steering Gears			7.8%	7.8%	7.8%
Reman Steering Gears		2.6%	5.3%	7.9%	7.9%
Remanufactured Calipers		2.7%	2.2%	4.9%	4.9%

- **Sept. 15th** increase on New & Reman Steering Pumps due to first round tariff increases
- **Nov. 15th** increase was originally a General Price increase due to material, freight & labor
- **New price files** have been sent to combine the 2nd round tariff and general increase to help minimize the amount of changes