Daimler Truck Financial

Finance and Lease Products

Your Trusted Finance Provider

As the captive finance provider for Daimler Trucks North America since 1974, we have the expertise to work with you to develop the right finance solutions for your business. Whether you are an owner-operator or a fleet customer, or you use your equipment as a tool to get the job done, we can help you get the financing you need when you need it.

We understand that financing isn't one-size-fits-all. Whether you prefer to own your equipment at the end of your contract, want lower payments, or need specific tax or accounting treatments, we have multiple finance and lease options to suit your needs.

This brochure provides an in-depth overview of the features and benefits of the finance and lease products offered by Daimler Truck Financial (DTF). Below is an at-a-glance chart of some of the key features of our products.[1,2]

Key Product Features	**Loan**	**TRAC Lease[3]**	**Modified TRAC Lease[3]**	**Zero TRAC Lease[3]**	**FMV Lease**
Lower payments		■	■	■	■
Minimal up-front cash outlay		■	■	■	■
Payments qualify as operating expense on income statement			■		■
Walk-away lease					■
Capital lease for accounting purposes		■		■	
Avoids obsolescence risk		■	■	■	■
No residual risk				■	■
No mileage restrictions	■	■	■	■	
Retains tax depreciation benefits	■				
Payments deductible as operating expense for tax purposes		■	■	■	■

Loan

A loan is a fixed-payment contract with a set interest rate, usually requiring a down payment, with flexible payment options (must be set up prior to contracting) and vehicle ownership at contract completion.

Contract-End Option: Purchase
Not applicable, since the customer owns the vehicle outright at contract end.

Contract-End Option: Disposal
The customer owns the vehicle and can keep it or dispose of it without DTF's involvement.

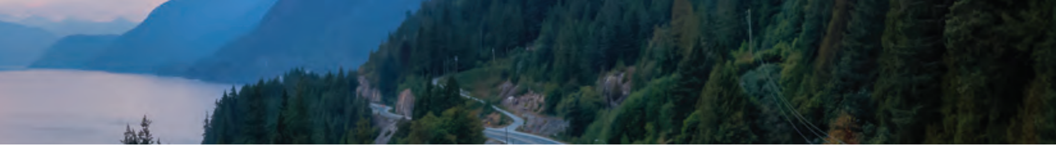
Contract-End Option: Refinance
Not applicable, since the customer owns the vehicle outright at contract end.

Depreciation
The customer retains depreciation benefits.

Accounting Treatment[2]
Ownership must be reported on the balance sheet, and interest and depreciation are shown as expenses on the income statement.

Tax Implications[2]
Interest and depreciation expenses are deductible.

If you prefer to own your vehicle at the end of your contract and retain depreciation benefits, then a loan may be right for you. In addition, loans do not have any mileage restrictions or return provisions, and they build equity.



TRAC and Modified TRAC Lease

Terminal Rental Adjustment Clause (TRAC) and Modified TRAC leases[3] offer low payments, pre-determined residuals, multiple lease-end options, and many terms and residual plans.

Lease-End Option: Purchase

The customer can purchase the vehicle for the pre-determined residual amount.

Lease-End Option: Disposal

DTF can sell the vehicle, and the customer receives any surplus greater than the residual value, less DTF's selling expenses. If the value at lease-end is less than the residual, the customer must pay the difference, plus DTF's selling expenses. However, with a Modified TRAC lease, the customer will pay only up to the specified, maximum liability.

Lease-End Option: Refinance

The customer can refinance the residual at prevailing used truck finance rates or re-lease the truck for a reasonable term, subject to credit approval.

Depreciation

DTF retains the depreciation benefits and passes the tax savings to the customer in the form of lower lease payments.

Accounting Treatment[2]

- A TRAC lease is considered a capital lease and must be reported on the balance sheet. Interest and depreciation are shown as expenses on the income statement.
- A Modified TRAC lease is considered an operating lease and must be reported on the balance sheet under new lease accounting rules. Lease payments are structured as an operating expense on the income statement.

Tax Implications[2]

Lease payments are fully deductible as an operating expense.

If you prefer low payments, a fixed residual value with ownership opportunities at lease maturity, and depreciation is not a business need, then a TRAC lease might be the best finance option for you. If you are concerned about open-ended residual risk, then a Modified TRAC lease may be what you need, since it caps your exposure to the residual risk.

Zero TRAC Lease

Unique to DTF, a Zero TRAC lease[3] offers low payments, little or no cash outlay, and no mileage or equipment condition requirements. Additionally, a Zero TRAC lease amortizes to zero at lease-end and builds customer equity.

Lease-End Option: Purchase
DTF may, at its sole discretion, sell the vehicle to the customer at fair market value. DTF will then refund the amount of the proceeds over the agreed value to the customer as a rebate of prior paid lease payments. At lease-end (assuming all payments have been made), this results in no cash outlay from the customer to own outright, except for applicable taxes on the purchase.[4]

Lease-End Option: Disposal
DTF sells the vehicle at the end of the lease, then refunds the amount of the proceeds over the agreed value to the customer as a rebate of prior paid lease payments.

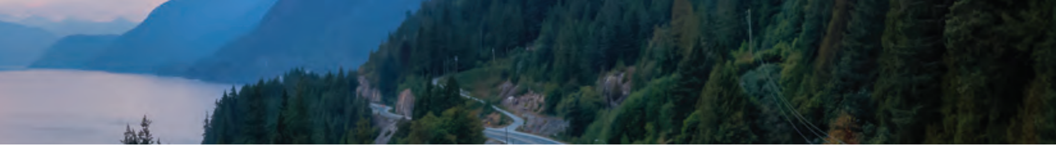
Lease-End Option: Refinance
Since the lease amortizes to zero, there is no need for refinancing.

Depreciation
DTF retains the depreciation benefits and passes the tax savings to the customer in the form of lower lease payments.

Accounting Treatment[2]
Considered a capital lease, it must be reported on the balance sheet. Interest and depreciation are shown as expenses on the income statement.

Tax Implications[2]
Lease payments are fully deductible as an operating expense.

If you want some of the benefits of both a loan and a lease, a Zero TRAC lease may interest you. With a Zero TRAC lease, you will have a lower payment than a loan, but a higher payment than a TRAC lease, because there is no residual value.



FMV Lease

A Fair Market Value (FMV) lease offers low monthly payments and no end-of-term residual obligations with a "walk away" benefit, after meeting all obligations of the contract, including mileage and return conditions.

Lease-End Option: Purchase
DTF may, at its sole discretion, sell the vehicle to the customer at fair market value.

Lease-End Option: Disposal
The customer can turn in the vehicle and "walk away" at lease maturity, after meeting all obligations of the contract.

Lease-End Option: Refinance
Not applicable, since refinance options are not available with FMV leases.

Depreciation
DTF retains the depreciation benefits and passes the tax savings to the customer in the form of lower lease payments.

Accounting Treatment[2]
Considered an operating lease, it must be reported on the balance sheet under new lease accounting rules. Lease payments are structured as an operating expense on the income statement.

Tax Implications[2]
Lease payments are fully deductible as an operating expense.

If you don't want to be in the business of owning trucks but need to use them, an FMV lease might be right for you. An FMV lease offers fixed costs with no vehicle disposal issues. The relatively short terms allow you to run the most up-to-date equipment, which typically reduces operating costs and increases driver retention.

Daimler Truck Financial Services

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[1] Actual payments, terms, down payment and program eligibility is determined by Daimler Truck Financial's credit team based upon creditworthiness of the customer.

[2] Daimler Truck Financial does not provide or endorse any tax advice, accounting advice or tax strategy to its dealers, customers or potential customers. Consult with your accountant or tax advisor for any accounting and tax implications for all finance and lease products.

[3] TRAC leases are limited to motor vehicles leased to businesses and used at least 50% of the time for business purposes.

[4] In some states, sales taxes will be due on the fair market value of the vehicle at lease-end. Check with your accountant for details.