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May 6, 2009

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Lead Trial Attorney
Office of the General Counsel
U.S. Consumer Product Safety Commission
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Bethesda, MD 20814

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ATV ACTION PLAN

KYMCO USA is developing business plans to distribute, sell and service all terrain vehicles (ATVs) in North America under the KYMCO brand name. KYMCO is committed to product quality, reliability, and the safety of its customers.

As such, this ATV Action Plan has been developed to establish and maintain a responsible reputation with the Consumer Product Safety Commission (the "CPSC") and diligently adhere to our joint objective of reducing ATV accidents. KYMCO's entry into a safety program with the CPSC confirms our commitment to this important objective.

Although KYMCO was not one of the five ATV manufacturers named in Civil Action 87-3525, which was settled with the court's approval in the Final Consent Decree dated April 28, 1988, our company is well aware of the various provisions of this now expired document. Additionally, we are aware that some provisions of the Final Consent Decree regarding vehicle labels, hang tags and owner's manuals are now part of the ANSI / SVIA 1-2007 Four Wheel All Terrain Vehicle Standard that was approved July 23, 2007.

I. Partner with Industry Efforts

KYMCO will continue to cooperatively work with other ATV distributors, the Specialty Vehicle Institute of America ("SVIA"), and other agencies to formulate and deliver ATV safety information and training programs. These efforts will focus, but not be limited to, the education of buyers and operators about the risk of injury to riders of all ages, and will complement the industry's existing efforts in this area.

KYMCO plans to be a dynamic partner in these efforts, as demonstrated by our actions, as well as our membership in the Motorcycle Industry Council ("MIC"), the SVIA, and other professional agencies.

II. Marketing and Advertising

When preparing and presenting advertising and promotional materials, KYMCO will depict the safe and responsible operation of ATVs. The use shown will be appropriate to the ATV, the age of the operator, and the depicted situation. These



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marketing materials and presentations will contain a summary of the ATV Safety Decree message, and will list information that will guide existing and prospective users to the training programs provided by the ATV Safety Institute.

KYMCO will instruct internal staff, and any contracted agencies, that our advertising and promotional materials must include the safety messages described in Section J.1 and Appendix K of the 1988 ATV Consent Decrees. KYMCO will also instruct said parties that the ATV riders depicted in marketing materials and advertisements must wear helmets and full protective gear.

KYMCO will reinforce this national-level commitment when communicating with retail dealers. Dealer bulletins and announcements will directly communicate KYMCO's support of these safety and training standards and will define what is acceptable for regional and local advertising. Guidelines will be established and published so dealers are aware of content requirements. Consequences of improper advertisement by a retail dealer will include the denial of advertisement co-payment and may also affect the dealer's business status with KYMCO.

III. Age Recommendations

Young people operating appropriately sized ATVs have an excellent safety record. KYMCO is well aware of the CPSC's concern over ATV fatalities among persons under the age of 16 resulting from the operation of adult-sized ATVs,

KYMCO will only market ATVs that conform to the ANSI / SVIA 1-2007 mandatory standard, or any subsequent revision. KYMCO will put forth its best efforts, including monitoring dealers as outlined in this document, to assure that our authorized ATV dealers do not recommend, promote, or sell KYMCO ATVs to, or for use by, individuals who are under the age recommended for those vehicles.

IV. Dealer Monitoring Program

KYMCO will use its best efforts to obtain dealer compliance with age recommendations. KYMCO will conduct a minimum of 50 on-site, undercover inspections per year of our authorized ATV dealers by means of independent, or undercover investigators known as "secret shoppers", to insure that these dealers follow age requirements and other safety related practices during sales or promotional functions.

The initial annual goal of the inspection program will be to inspect the dealers who deliver 50% of the KYMCO ATVs sold in the United States. This will be augmented by annual random testing of dealers who are not in the initial inspection group. KYMCO will also modify the visitation criteria of its field support staff so that inspecting for dealer compliance becomes a normal function of the dealer visit.

KYMCO will conduct dealer education by using a web-based education system available through the SVIA. Remedial action, up to and including possible termination, to the extent permitted by state and local laws, may/will be taken against dealers who do not abide by KYMCO's age requirements.



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V. Information / Education Effort

KYMCO is currently participating in information and education efforts designed to promote the safe and responsible use of KYMCO ATVs through the SVIA. These efforts include video distribution; school-related campaigns; and partnerships with state safety programs and organizations such as 4H, NOHVCC, and Tread Lightly.

The messages undertaken in these campaigns address the identified behaviors important to ATV Safety which include the importance and support of training, and following appropriate rider age recommendations. This program is suited to reaching individuals most likely to obtain and use KYMCO ATV products.

VI. Toll-Free Safety Hotline

KYMCO will provide funding to the toll-free safety hotline (800-852-5344) administered by the SVIA. This hotline is a well-known consumer resource, as it has been operating since 1988.

VII. ATV Labels and Safety Hang Tags

KYMCO will permanently affix to each ATV, labels that conform to the requirements contained in the ANSI / SVIA 1-2007 standard, or subsequent revision. These labels were required under the Final Consent Decree and are generally in use. KYMCO will use vehicle hang tags that conform to the provisions of the ANSI / SVIA 1-2007 standard, or subsequent revision, to convey the same substantive safety messages as hang tags under the Final Consent Decree.

VIII. Operator's Manual

KYMCO will supply an operator's manual with each ATV. The operator's manual will conform with specific safety related information contained in the ANSI / SVIA 1-2007 Four Wheel All-Terrain Vehicle standard, or subsequent revision.

IX. ATV Safety Video

KYMCO will supply and promote the SVIA's most current safety/training video that endorses the ATV operator training course and provides key safety and risk information, such as the importance of following the proper rider age recommendations. This new video will be provided to each purchaser and can be used by the dealer during the customer's new vehicle education.

X. ATV Safety Alert

KYMCO will supply its dealers "Safety Alert" documentation to be provided to each ATV purchaser. The document will contain the same substantive safety information as the Safety Alert described at Section H.3.b.(4)(b) and Appendix I of the 1988 ATV Consent Decrees. This information includes: death and injury statistics for ATVs, safety rules, age recommendations and the availability of safety training.

KYMCO will disseminate the ATV Safety alert as follows: first, KYMCO will announce the availability of the Safety Alert and other supportive materials to promote ATV safety in a dealer bulletin; second, Safety Alert documents will be made available for download from KYMCO's dealer support web-site; and finally,



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Kymco will instruct its dealers to provide a copy of the Safety Alert to each ATV customer.

XI. ATV Operator Training

KYMCO will offer hands-on, interactive training to all KYMCO ATV purchasers. This free training can be extended to the buyers' immediate relatives who are age-appropriate for the ATV purchased. This training will be conducted through the existing educational programs of the ATV Safety Institute.

As an incentive to take advantage of this training, KYMCO will offer the first-time purchaser of a KYMCO ATV the choice of \$100 in cash or credit for accessories purchased at the selling dealer [upon proof of completion of the SVIA course].

XII. Notification

Unless otherwise indicated, KYMCO intends to maintain the above-specified actions indefinitely. KYMCO will provide information about these activities upon receipt of reasonable requests from the CPSC. KYMCO will notify the agency at least 60 days prior to materially changing or terminating any of these activities.

XIII. Conclusion

KYMCO is committed to promoting the safe and responsible use of its products. We strongly agree with, and support, the safety messages of the Consent Decree and the ANSI / SVIA 1-2007 Four Wheel All-Terrain Vehicle Standard.

KYMCO understands that its leadership and educational efforts will not be limited to potential buyers and operators, but will be extended to our internal staff and retail dealers, as well. We look forward to working toward establishing and maintaining an effective and productive relationship with CPSC staff.

KYMCO-USA

A handwritten signature in black ink, appearing to read 'Joe Wofford', written over a horizontal line.

Joe Wofford
Vice President, Product Support