

# 2009- 2010 Distributor Co-Op Program



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## Co-Op Program Definition

- ECR International's co-op advertising program is a 50/50, shared cost partnership with the Distributor.
- The primary goal of the program is to assist the Distributor's best promotional efforts to directly and measurably drive unit sales of ECR brand products.

## How the Program Works

- **Accruals** - ECR accrues up to a maximum of two percent (2%) of the Distributor's actual \*equipment purchases. Funds are accumulated on a calendar year basis but are available for 18 months, through June of the following year. At the end of June each year, all positive balances for the previous year are removed. Any negative balances are carried forward. \*Note: The availability of ECR co-op funds varies by brand - please consult your local sales representative or ECR Marketing for specifics.
- **Balance Inquiries** - Balances are not given to third parties. Only Distributors, ECR Regional Sales Managers and ECR Brand Local Sales Representatives can obtain available co-op information.
- **Pre-Approval** - Pre-approval is required for participation in any Co-Op Program. **WE RESERVE THE RIGHT TO NOT REIMBURSE ACTIVITIES THAT ARE NOT PRE-APPROVED.** To obtain pre-approval please complete the 2009-2010 ECR Co-Op Pre-Approval Request form. Contractor co-op requests follow the same procedure but approval is subject to the discretion of the Distributor and ECR Regional Sales Manager.
- **Reimbursement** - To obtain reimbursement for pre-approved co-op expenses, forward supporting documentation (Vendor's Invoice and proof of performance i.e. script, ad copy etc.) to ECR Marketing, Fax (315) 733-1759 or E-mail [marketing@ecrinternational.com](mailto:marketing@ecrinternational.com). ECR Sales & Marketing will determine final reimbursement percentage and the amount of credit based on documentation provided. ECR will generally issue Distributors a credit for 50% of the cost of a pre-approved co-op promotion. Contractor co-op activities are reimbursed at 33%. All reimbursement is by credit memo only to the account of the ECR Distributor. If a Distributor has insufficient funds to cover the claim, the credit will be issued for the balance of their account. Contractor claims for co-op are processed through their accounts at the participating Distributor.
- **Year End Claims** - ECR customers are given 18 months to use previous years' co-op. As of 7/1 each year, all previous year co-op balances drop off the system. That means Marketing has no access to previous year balances to process transactions. All orders for promotional merchandise to use up previous year co-op must be in by 6/1 so that ECR can get our vendor invoices in and apply them to co-op balances by 6/30. All other receipts for credit to use up previous year co-op must be in by noon on 6/30.
- **RMA's** - ECR International co-op is intended for promotional use only and will not be used to off-set issues involving damages, returns, repairs/labor or freight.
- **Gift Cards** - ECR will not purchase and supply gift cards in bulk to Distributors. If a Distributor wants to run a gift card promo, ECR will reimburse 50% at the END of the promo period upon receipt of Distributor sales report and receipt for gift cards. The only way ECR will provide Gift Cards for promotional purposes is on a direct ship basis to the installing contractor. If the Distributor chooses this option, the Distributor will be responsible for providing a sales report and all pertinent address information for participating contractors. ECR is not responsible for expired, misdirected or intercepted gift cards. Any suspected fraud involving gift cards will be reported to the proper legal authorities.
- **Other** - ECR is not responsible for late, lost, damaged, garbled, incomplete, misaddressed, or misdirected co-op requests. The individual submitting the request will be notified regarding approval within 10 business days. If you are not contacted within 10 business days, please call 315-731-4168 to verify receipt of your request. ECR International's co-op program is subject to change without notice.

## What the Program Covers

- **Events** - Promotional giveaways for ECR Demo Truck Days, Counter Days, Tradeshow, Golf Events, etc. will be limited to a total value of \$350 per event. There will be a pre-determined selection of stocked items available to support these events. ECR Sales is required to complete an internal Event Form for all such events. Event requests are limited to one request, per Distributor branch every 30 days and will be deducted from Distributor co-op at 100%. If the Distributor requires items other than those stocked, the Distributor will need to place a purchase order and submit a receipt for credit as explained below. Promotional credit for Golf Sponsorships is limited to no more than \$350 per event.
- **All Other Promotional Items** - ECR will no longer offer a hard copy apparel and promotional item catalog to Distributors. Co-Op reimbursement for apparel and promotional items will only be available on pre-approved orders placed exclusively through American Environmental Outfitters. American Environmental Outfitters (AEO) offers a searchable on-line catalog at [www.aeoink.com](http://www.aeoink.com). To obtain pre-approval complete the 2009-2010 ECR Co-Op Pre-Approval Request form, once approved, submit Distributor purchase order to AEO and furnish AEO invoice to ECR to obtain credit.
- **Training** - The cost of field training for distributors is shared 50/50. The distributor is responsible for paying half with the remaining half deducted from the distributor's available co-op as provided by ECR. The cost of training events held at ECR facilities is deducted from the distributor's co-op as provided by ECR at 100%. Giveaways for training events are limited to a maximum total value of \$350 or a maximum of \$15 per contractor.
- **Literature** - All ECR brand literature requested by the Distributor will be deducted from available co-op funds at 100% of the literature cost plus shipping and handling charges. Contractors are to obtain literature through their Distributor.
- **Advertising** - ECR co-op funds are available for advertising in trade magazines, trade association directories, newsletters and direct mail. With the distributor's permission, contractor advertising to homeowners in the form of newspaper, radio or television ads, as well as billboards and direct mail is also covered at 33%. Use of existing ECR brand ad slicks and direct mail pieces is recommended. If custom art is required, art charges will apply. **Restrictions:** When ECR products are grouped in ads with other products, services, or utilities, only the percentage of the ad occupied by ECR products will be eligible for co-op credit. ECR Sales & Marketing will determine this percentage and the amount of the credit. ECR does not recognize co-op participation associated with ads that feature or mention equipment manufactured by companies in direct competition with our products and/or services. Yellow Page advertising is not eligible.

If you have any questions contact ECR Marketing at (315) 797-1310, by fax at (315) 733-1759 or via e-mail at [marketing@ecrinternational.com](mailto:marketing@ecrinternational.com).