

Co-op Advertising Guidelines

In a continuing effort to promote our market growth through the market growth of our Distributors, we offer the following Co-op Advertising Program on a yearly basis. Co-op advertising is a resource that offers an avenue for substantial growth to our Distributors.

Advertising has to be directed to the builder, architectural, interior design and trade professionals. With the limited resources of most manufacturers and the advantages of advertising on the local level, consumer advertising is best left in the control of Distributors. This is the basic philosophy of Co-op advertising.

And the best part ... Ragno USA will pay for up to 50% of your qualified advertising costs within the limits established by the following program.

I. Availability of Funds:

- A. Each Distributor's Co-op advertising budget will be determined in January of each year and will be calculated as 1% of the Distributor's total sales for the previous year.
- B. To be eligible for these funds, **the Distributor must complete Co-op Advertising Program Registration form and forward it to the Sales Support Manager.** No Co-op advertising will be approved until these forms have been received.
- C. Ragno USA will reimburse the Distributor a maximum of 50% of the cost of approved advertising. This reimbursement will be in the form of a credit against the Distributor's account.
- D. **Any individual advertisement where Ragno USA's share is over \$500.00 must have the prior approval of the Sales Support Manager.**
- E. Co-op funds are available for advertising only 1st Choice, running line products.

II. Eligible Forms of Media:

- A. Newspapers
All newspapers, both daily and Sunday, including T.V. Guides and special sections qualify.
 - Multi-product ads -- Ragno USA will reimburse only 50% of the portion allocated to Ragno USA products and only when no competitive products are mentioned.
 - Ragno USA will reimburse for space charges only and not associated production charges. Rates are subject to audit by Ragno USA and excessive rates are subject to adjustment.
- B. Magazines
All magazine advertisements must have prior approval of the Ragno USA Marketing Department. Reimbursement will be allowed for space charges only and not for production charges.
- C. Television and Radio
To qualify, commercials must devote a minimum of two thirds of the time to Ragno USA products and one third of the time to Distributor / Dealer identification. No multiple product commercials will be allowed. Reimbursement will be allowed for air time only and not for production charges.
- D. Outdoor Advertising
Billboards do qualify for Co-op reimbursement and will follow the same criteria as newspaper advertising as to multi-product advertisements.

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E. Direct Mail

The net cost of printing is reimbursable in accordance with the space allotted to Ragno USA and when no competitive products are mentioned.

F. Yellow Pages

Display ads qualify for Co-op reimbursement. The Ragno USA logo must be prominently displayed. If other suppliers' logos are included, Ragno USA will reimburse only the portion allocated to Ragno. Production charges are not reimbursable. Camera-ready artwork for Ragno USA logos is available from the Marketing Department.

G. Alternate Forms

No alternate forms will be allowed without prior written approval from the Ragno USA Sales Support Manager.

III. Reimbursement Procedures

- All requests for reimbursement must be made on the Ragno USA Co-op Advertising Claim form.
- Newspaper, magazine and yellow page advertisements require a full page tear sheet and copy of the original invoice.
- Television and radio require notarized ANA documentation, a script and invoice showing length of commercial, number of times run and total cost.
- Outdoor / billboard advertisements require photography and copy of paid invoice.
- Direct mail requires an original piece and a copy of the printer's invoice.
- All claims must be submitted within forty-five (45) days of their occurrence.