

# Dealer Incentive Program USA and Canada 2005



	Terms of trade as per July 2005	Terms of trade as per August 2006		
	All existing dealers	A-dealer	B-dealer	C-dealer
<b>Product range</b>	No requirements	Dealer requested to market the full product range (i.e. consumers should be able to purchase any of the models in our product range)		
<b>Purchase volume per year</b>	No requirements	> 75 k\$ or min. 8 stoves on floor display	>50 k\$ or min. 5 stoves on floor display	> 20 k\$ or min. 2 stoves on floor display
<b>Products on floor display</b>	Request of min. 2 – 5 stoves	Min. 5 stoves	Min. 4 stoves	Min. 3 stoves
<b>Dealer discount of suggested retail price</b>	32%	32%	30%	28%
<b>Dealer bonus</b>	4% (to be added to the general dealer discount of suggested retail price)	<div> <div> <div>&lt; 25 k\$</div> <div>0%</div> <div>(&lt; 11 stoves at ave. purchase price 2.268 \$, budget 2005)</div> </div> <div> <div>&gt; 25 &lt; 50 k\$</div> <div>2%</div> <div>(&gt; 11 &lt; 22 stoves)</div> </div> <div> <div>&gt; 50 &lt; 75 k\$</div> <div>3%</div> <div>(&gt; 22 &lt; 33 stoves)</div> </div> <div> <div>&gt; 75 &lt; 100 k\$</div> <div>4%</div> <div>(&gt; 33 &lt; 44 stoves)</div> </div> <div> <div>&gt; 100 &lt; 175 k\$</div> <div>5%</div> <div>(&gt; 44 &lt; 77 stoves)</div> </div> <div> <div>&gt; 250 k\$</div> <div>6%</div> <div>(&gt; 77 stoves)</div> </div> </div> <p>Bonus based on total product purchase Aug. 1 – Jul. 31. and “paid” as discount in the following period of Aug. 1 – Jul. 31. To be adjusted every year. The bonus is credited as discount on each individually order/invoice</p>		

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<b>Order discount – one order and one shipment</b>	Purchase: Min. 3 stoves 3% order discount on the normal purchase price Min. 5 stoves 4% order discount on the normal purchase price Min. 10 stoves 5% order discount on the normal purchase price			
<b>Freight, shipping from Rais warehouse to dealer or dealers customer</b>	Price according price list based on transporters net price to specific delivery address plus a surcharge of 25 \$ per shipment.	Rais expects to introduce a Flat Rate Shipping Price system. However, this has to be based on knowledge of the brake down of the sales per dealer (delivery address) and will thus be introduced August 2006. The Flat Rate Shipping Price will be based on a price per product (stove and/or pallet) independent of the delivery address making the cost/profit of selling Rais stoves the same for all dealers. NOTE: Location of warehouse will be evaluated during the season of 2005-2006 to optimize the geographical location to minimize cost of freight.		

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<b>Product Display discount</b>	<p><u>Purchase of 1 display product in one order:</u> 20% discount on normal net purchase price. Terms of payment: Standard Products for display will be invoiced separately and the discount cannot be added with order discount or any other type of discount. Max. 1 discounted product per model per 3 year.</p> <p><u>Purchase of 3 display products in one order:</u> 25% discount on normal net purchase price. Terms of payment: 33% - 30 days net, 33% - 60 days net, 34% - 90 days net. Products for display will be invoiced separately and the discount cannot be added with order discount or any other type of discount. Max. 1 discounted product per model per 3 year.</p> <p><u>Purchase of 3 display products in one order of which 1 product is installed to pipe as burning model:</u> 30% discount on normal net purchase price. Terms of payment: 33% - 30 days net, 33% - 60 days net, 34% - 90 days net. Products for display will be invoiced separately and the discount cannot be added with order discount or any other type of discount. Max. 1 discounted product per model per 3 year.</p>			
<b>Discount to architects and contractors</b>	<p>50%/50% share of dealer discount to architect/contractor: 1 pc. delivery E.g.: Rais discount 5% at a dealer discount of 10% to architect/contractor Multi pcs. deliveries: Individual discount with 50%/50% sharing of discount to architect/contractor, max. Rais discount 10%.</p>			
<b>Marketing support:</b>	<p>4% Max. 10 k\$ per year Account to be used as per July 1, 2005</p>	<p>4% Max. 10 k\$ per year (= yearly purchase 250 k\$)</p>	<p>3% Max. 6 k\$ per year (= yearly purchase 200 k\$)</p>	<p>2% Max. 3 k\$ per year (= yearly purchase 150 k\$)</p>

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	Marketing support: Based on total product purchase Aug. 1 – Jul. 31. to be used the following Aug. 1 – Jul. 31 and credited upon receipt of copy of ad and copy of invoice. Special agreement for the first year in cooperation (March 1, 2005 – July 31, 2006)			
Local marketing activity or advertisement	<u>Local dealer marketing activity or ad only with Rais product</u> 50% of net cost to be paid by dealer marketing account at Rais Max. 1.000 \$ reimbursement paid by dealer marketing account per activity or ad			
	<u>Local ad mixed Rais together with more brands based on dealers own layout</u> 1/n x 50% of net cost to be paid by dealer marketing account at Rais Max. 500 \$ reimbursement paid by dealer marketing account per ad			
Credit limit	Based on individual agreement			
Terms of payment 1	30 days net cash Method of payment: Bank transfer or bank check			
Terms of payment 2	Prepayment – net cash -2% Method of payment: Bank transfer or bank check			
Terms of payment 3	Prepayment – net cash Method of payment: Credit card			
Interest on due payments	1,25% per month			

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	All existing dealers	A-dealer	B-dealer	C-dealer
Termination of dealership – dealer notice to Rais	No obligations	3 month notice		1 month notice
Termination of dealership – Rais notice to dealer	No obligations	6 month notice – however, the termination date not to be in the period September – February		1 month notice