# **Co-Op Advertising Program**



# **Purpose**

The EarthLinked Technologies, Inc. Co-Op Advertising Program provides authorized ETI Dealers with a marketing partner to help maximize their advertising and promotional efforts.

#### **Administration**

The Area Manager administers the Co-Op program for his sales territory and network of authorized Dealers. ETI has final approval of authorization of Co-Op funds in which ETI is a sponsor.

# **Eligibility**

The Co-Op program is available to authorized ETI Dealers who purchase EarthLinked Systems and components directly from ETI and whose accounts are current and in good standing. ETI will have final approval of Co-Op accrual expenditures.

# **Co-Op Fund Accruals**

The Co-Op Fund is based on 2% of the ETI sales dollars of the subject products within the program period, will be accrued for each qualifying Dealer. Sales dollars for the Co-Op Fund exclude freight and replacement or service parts.

This Co-Op fund may be used to match up to a 50% maximum amount of all approved advertising and sales promotion activities by qualifying Dealers, up to the amount accrued for the Dealer. Accruals will be credited monthly for current ETI invoices paid during the month. Any delinquent payment will not be eligible for Co-Op funding.

Once Co-Op funding is approved by ETI and that specific function has been completed, copies of all Dealer paid receipts will be required by ETI before crediting is processes by ETI.

The accrual period covers current ETI invoices paid from January 1 through December 31. Funds not spent within one month after the end of the calendar year will not be credited toward any claims submitted beyond January 31 of the following year, and such unclaimed funds will be retained by ETI.

### **Applicable Co-Op Expenditures**

The following are types of advertising or promotion activities that are eligible for Co-Op claims:

- Newspaper advertising
- Direct-Mail programs
- Radio and Television Advertising
- Trade Shows
- Signage (including but not limited to billboard advertising)
- Brochures
- Website promotion (with prior approval)

Eligible expenditures include cost of space, time and talent. Agency fees are not eligible for Co-Op. All must be approved by ETI **prior to** inclusion. All ads supplied by ETI will be automatically accepted as long as no change has been made to the ad.

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All other Co-Op claims (e.g. trade/home show displays, special event promotions, etc.) will be considered by ETI on an individual basis. No claim will be credited without authorization <u>in advance of</u> the activity by ETI.

Every advertisement or display must carry the EarthLinked<sup>®</sup> product name and logo with the appropriate registered trademark symbol. When ETI products are advertised with other non-competitive products in the same ad, mailing or exhibit, claims will be paid in an amount proportional to the space used for ETI products.

No claims will be paid when a competitive product is referred to in any way in the same ad with ETI products.

Ads must be in good taste, reflect good business ethics and meet the regulations of the Federal Trade Commission.

### **Guidelines**

#### 1. Direct Mail & Telemarketing to Homeowners

Artwork for direct-mail campaigns is available to Dealers. Direct mail programs are often strengthened by combining them with telemarketing. If a Dealer is interested in telemarketing, ETI will assist them in the development of scripts and scheduling

### 2. Newspaper Advertising

Camera-ready newspaper slicks are available. Co-Op funds are available to defray the costs of pricing these ads in various newspapers, provided the ad is not altered in any way other than to include the Dealer's contact information.

#### 3. Radio and Television Advertising

ETI will work closely with its Dealers to develop scripts and provide video/audio concepts for the Dealer's placement of ads.

### 4. Internet Advertising

Please consult with ETI to discuss banner advertising.

#### 5. Trade/Home Show Exhibits

Co-Op funds can be used to defray the cost of exhibiting at trade shows, but only in proportion to the booth space and focus place on the EarthLinked System. Photos of the booth display must be submitted to ETI to substantiate all claims.

#### 6. Yellow Pages Advertising

Co-Op funds may be used to defray a portion of yellow pages advertising, but only if the advertisement contains the EarthLinked System logo.

# 7. Ineligible Items

The following items or activities are ineligible for Co-Op reimbursement:

- a) Hats, shirts and other clothing, other than those provided by ETI
- b) Note pads, coffee cups or other promotional items

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- c) Holiday gifts
- d) Meals or drinks
- e) Golf or other sports related outings

Any questions regarding the ETI Co-Op Program should be directed to the Dealer's Area Manager.

Co-Op Application Form (LIT-80) should be used to gain ETI approval of a Co-Op activity. Receipts and other justification information (including the application form) should be attached to it.

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