

Flexxifinger QD Industries Inc. CO-OP ADVERTISING POLICY

The Flexxifinger QD Industries Inc. and/or its subsidiary Flexxifinger USA Inc. ("Flexxifinger") New Dealer Start-Up Program and Dealer Co-op Advertising Program are designed to enable dealers to advertise and promote Flexxifinger's products by providing reimbursement for advertisements that meet Flexxxifinger's advertising guidelines as outlined in Flexxifinger's Graphic Standards Policy.

1. New Dealer Start-up Program

a. Dealer Eligibility

The New Dealer Start-up Program can be used by a new dealer only within the first twelve (12) months of the term of a newly executed dealer agreement provided that the dealer's account is in good standing and the agreement has been fully executed.

b. Funds available

Flexxifinger shall make available to its Dealer up to a maximum of \$500 on a 50%/50% shared basis between the dealer and Flexxifinger for the purposes of advertising that the new dealer is selling Flexxifinger's products. The New Dealer Start-up Program is a one-time use program that can be applied to one (1) advertisement campaign which runs within the first twelve (12) months of the term of a newly executed dealer agreement. Any unused funds or portion thereof do not roll over to subsequent time periods.

c. Eligible Advertisements

- i. Advertisements must use Flexxifinger's provided ad mats and the overall advertisement must receive <u>prior approval by Flexxifinger</u> in order to receive any funds from the New Dealer Start-up Program.
- ii. In order to receive any funds from the New Dealer Start-up Program, dealer-created advertising must be in one of the following media types:
 - Print (flyers, newspaper, brochures, pamphlets, etc.);
 - Radio and/or television (commercials, spots, airtime, event sponsorships receiving coverage, etc.);
- iii. Dealer-created advertising must:
 - Exclusively advertise Flexxifinger products;
 - Identify Flexxifinger's products;
 - Use the proper Flexxifinger ad mats, logos and trademarks.

d. Prior Notification and Approval

The dealer shall notify Flexxifinger of its intent to participate in the New Dealer Start-up Program. The dealer shall also provide a proof or final cut for approval prior to the printing, publishing, airing or posting of the advertisement for Flexxifinger's final approval. All ads must receive prior approval to qualify for the New Dealer Start-up Program.

e. Reimbursement

- i. The reimbursement rate for any dealer-created advertisement as outlined in 2.c. above shall be 50%/50% up to a maximum of \$500.00 as outlined in 2.b.
- ii. Cannot be combined with any other offer or Flexxifinger's Dealer Co-op Advertising Program.
- iii. Reimbursement is applied to the dealer's parts account in the form of a credit. Generally, dealers will receive credit within three to six (3-6) weeks of their claim being submitted to Flexxifinger.
- iv. Flexxifinger will not credit fees associated with any of the following:
 - Agency fees;
 - Talent fees;
 - Photography;



- Production charges;
- Food, refreshments, tents and party rental equipment;
- After-market promotional items (t-shirts, hats, etc.);
- Display components, set-up, dismantling and operating costs (rental, labour, shipping and logistics, security, electrical, etc.);
- Trade show or convention booth or setup fees, exhibits, or displays.

2. Dealer Co-op Advertising Program

a. Dealer Eligibility

The Co-op Advertising Program is available to any dealer with an account in good standing who has a current and valid executed Dealer Agreement with Flexxifinger ("Dealer").

b. Funds available

Flexxifinger shall make available to its Dealer 1% of the total dollar amount of the Dealer's net collected invoice total for Flexxifinger's products in the previous fiscal year (November to October). Products must be invoiced to the dealer directly from Flexxifinger in order to be eligible for any co-op advertising allocation — Dealer-to-Dealer sales are not eligible. Co-op advertising funds can only be applied to advertising done within the current fiscal year. If unused, any co-op advertising funds do not roll over to subsequent time periods.

c. Eligible Advertisements

- Advertisements must use Flexxifinger's provided ad mats and the overall advertisement must receive <u>prior approval by Flexxifinger</u> in order to receive any funds from the Co-op Advertising program.
- ii. In order to receive any funds from co-op advertising, dealer-created advertising must be in one of the following media types:
 - Print (flyers, newspaper, brochures, pamphlets, etc.);
 - Radio and/or television (commercials, spots, airtime, event sponsorships receiving coverage, etc.);
- iii. Dealer-created advertising must:
 - Advertise Flexxifinger products;
 - Identify Flexxifinger's products;
 - Use the proper Flexxifinger ad mats, logos and trademarks.
- ii. In the event the advertisement does not exclusively feature Flexxifinger products, the Flexxifinger portion of the ad shall be prorated accordingly based on the area of the Flexxifinger-only ad mat relative to the overall size of the ad.

d. Prior Notification and Approval

The dealer shall notify Flexxifinger head office advertising co-ordinator of its intent to participate in the Dealer Co-op Advertising Program. The dealer shall also provide a proof or final cut prior to the printing, publishing, airing or posting of the advertisement for Flexxifinger's final approval. All ads must receive prior approval to qualify for the Dealer Co-op Advertising Program.

e. Reimbursement

- i. The reimbursement rate for any dealer-created advertisement as outlined in 2.c. above shall be 50%/50% up to the maximum funds available as outlined in 2.b. above.
- ii. Reimbursement is applied to the dealer's parts account in the form of a credit. Generally, dealers will receive credit within three to six (3-6) weeks of their claim being submitted to Flexxifinger.
- iii. Flexxifinger will not credit fees associated with any of the following:
 - Agency fees;
 - Talent fees;
 - Photography;
 - Production charges;



- Food, refreshments, tents and party rental equipment;
- After-market promotional items (t-shirts, hats, etc.);
- Display components, set-up, dismantling and operating costs (rental, labour, shipping and logistics, security, electrical, etc.);
- Trade show or convention booth fees, set up charges, exhibits, or displays.

Please contact Flexxifinger with any questions or for approval.

By phone: +1-306-642-4555 | By email: communications@flexxifinger.com