Freeform
PLASTIC PRODUCTS
A DIVISION OF BOURGAULT INDUSTRIES LTD.

ADVERTISING & PROMOTIONS POLICY

Date effective: January 1, 2002

Free Form Plastic Products Inc. will match all Dealership promotional advertising on a 50% basis, on up to 2 % of the Dealers net sales. This means that a Dealer generating $50,000 of net sales could invest up to $1000 in advertising Free Form's products and receive credits of up to $500 of support from Free Form.

New Dealer Advertising Allowance

When a new Free Form Dealer is appointed, that dealership will have access to a one time New Dealer Introduction Allowance. It will cover 50% of the Dealership's advertising expenditures on the introduction up to $500.00 with Free Form's limit being $250.00. This would require prior approval by Free Form's Territory Manager or Free Form's General Manager.

Advertising

Free Form will pay 50% of all Co-op advertising claims based on the following criteria:

- To qualify for the maximum support of 50% on a specific advertisement, whether it be print, radio, television, or electronic such as a web site, all ads must contain 100% Free Form's products. If an ad also contains other products, it will be **pro-rated** on the percentage content of Free Form's products.

- Free Form will credit the Dealer's account 50% of all Co-op advertising claims up to 2 % of a Dealer's yearly net volume, based on the beginning of the year being November 1. For example, if a Dealer's sales are $50,000 in a given year, then Free Form would match up to $1,000 of advertising with a contribution of $500. Any advertising and promotion over $1,000 would not be matched. The final calculations would be done shortly after October 31 and adjustments would then be made. If Free Form has issued credits to the Dealer for advertising amounts greater than 2 % of net sales, any amounts exceeding the 2% would be invoiced to the Dealer after year-end.

- **Claims must be made to head office no later than 120 days after the advertisement has run or they <u>will not</u> be honored.** A tear sheet or a copy of the advertisement showing the details of the advertisement along with a paid copy of the invoice must be included. The amount of the approved advertising will be credited to the Dealer's whole goods account.