

GENERAL ELECTRIC COMPANY, CORPORATIONS PARK, BUILDING 702,
SCHENECTADY, NEW YORK 12345, Phone (518) 374-2211

1973

CO-OP ADVERTISING & SALES PROMOTION PLAN

A. GENERAL INFORMATION

General Electric Company, Outdoor Power Equipment Operation will participate in Cooperative Advertising Allowances with its franchised dealers in defraying expenses for cooperative advertising approved and authorized by the Manager Market Communications subject to the following terms and conditions.

1. "Eligible products" will include and be limited to the following products:

General Electric Company Lawn and Garden and Industrial Tractors, and Related Products, Accessories and Attachments sold by the Outdoor Power Equipment Operation.

2. General Electric Co-op Advertising Allowances will be made available to all franchised General Electric dealers on a proportionally equal basis.
3. Any amounts spent by the dealer in excess of, or contrary to, the General Electric authorization will be at the dealer's expense.
4. No allowances are payable under this Plan at an amount in excess of the rate actually paid by the dealer to the media.

B. CO-OP LIMITATIONS

1. Allowances under this Plan will be applied during the period September 1, 1972 through August 31, 1973, and we will offer credit for advertising and/or sales promotion activities for each dealer in accordance with the following provisions:

- The accrual will amount to 50% of the actual amount spent by the dealer on approved dealer A & SP programs. Our participation for authorized advertising will be limited to fifty percent of the dealer's cost as defined and limited herein.

2. Prior approval required:

- General Electric Cooperative Advertising Allowances will be granted only for advertising expenses incurred by the dealer for space and/or time in media approved by the Manager Market Communications, as specified herein or otherwise stated in writing. General Electric will not participate in costs incurred for art, production, etc., or any



expense incurred by dealer in preparation of his advertising. Dealer-prepared copy must be submitted in advance to the Manager Market Communications to insure advanced review approval of content.

- General Electric Company Outdoor Power Equipment Operation prepared advertisements may be used by the dealer without prior approval in local newspapers, in local TV news program spots, or in local radio news program spots only up to a maximum total cost of \$500 (GE share \$250). Plans for programs to exceed that amount, or any program using other than General Electric prepared material, must be submitted for prior approval as specified herein.

C. SUBMISSION OF CLAIMS

- Request for approval of budget may be submitted at any time during the program period. See form GEZ 5010B.
- Claims for advertising allowances must be submitted by the dealer and received by the Manager Market Communications within 30 days following the last day of the month in which the advertising was published. Such claims must be submitted on form GEZ 5010C and be supported by proper evidence as detailed below:

1. Newspapers

- a. One complete copy of tear sheet with identifying date and name of paper on each page must be submitted with a claim. Ads run in zones from a main paper must be identifiable by zone numbers or zone titles. If the newspaper does not have an identifying system for its zone, the tear sheet must be accompanied by a notarized statement of the date and zone distribution executed by authorized personnel of the newspaper.
- b. A paid newspaper invoice itemizing the amount paid for each ad run.
- c. A completed copy of the General Electric Cooperative Advertising Claim Report.

2. Radio and Television

- a. A paid STATION INVOICE SHOWING ACTUAL RATE paid by dealer. It should itemize the class, number of items and cost of each General Electric spot announcement aired.
- b. Actual script used by the station with dates and time of day it was aired noted on the face of the script.
- c. An original unaltered Notarized Affidavit of performance from the station itemizing:
 - (1) the General Electric tractor advertised and whether or not it was the only one advertised,
 - (2) the date,
 - (3) the time of day, and
 - (4) the class of time for each of the scripts aired.

3. Newspaper Tabloids or Direct Mailers

A complete copy of the entire tabloid or mailer and "Paid" invoice for printing costs. Postal receipts (where mail is used) or notarized statement of cost of distribution and quantity distributed must be submitted.

4. Shows and Exhibits

Copy of "Paid" invoice indicating date, name of show, location, the cost of the space; photographs of the General Electric exhibit, report of attendance, and resultant sales.

5. Special Demonstration Activities

It is the intention of the Company to work closely with all of its franchised dealers in the development and implementation of sound exposure and demonstration of these new and exciting products and to actively promote their sale. In this connection, franchised dealers are expected to engage in occasional special demonstration activities—that is, events other than those engaged in on a routine basis—of short duration. Special events may include merchandising or promotional activities such as minor premiums, door prizes, prizes in consumer contests, window splashes, barbecues. General Electric participation will be limited to 50% of the cost of such demonstrations or merchandising and promotional activities previously approved insofar as such costs relate to the promotion and sale of General Electric products only.

Receipted paid invoices must be submitted to substantiate dealer cost of such merchandising and demonstration activities. Company will not, under any circumstances, participate in defraying those ordinary or usual expenses which normally are considered part of the dealer's normal cost of doing business. All approved claims will be reimbursed as a part of the normal co-op program.

D. SETTLEMENT OF CLAIMS

1. After your claim has been audited, a credit will be issued to your account. CLAIMS MAY NOT BE DEDUCTED FROM PAYMENTS OR REMITTANCES TO GENERAL ELECTRIC UNTIL YOU RECEIVE A CREDIT MEMO FOR YOUR AUDITED CLAIM. All claims for Cooperative Advertising should be sent within the 30-day limit to the Manager Market Communications.
2. We will maintain records to reflect the total amount of your credit vs. approved co-op budgets.
3. INCOMPLETE OR UNAUTHORIZED CLAIMS MAY BE RETURNED. BE SURE CLAIMS ARE COMPLETE AND CORRECT SO WE MAY ISSUE CREDITS PROMPTLY.

4. General Electric Company reserves the right to audit all records of the Dealer for the purpose of verifying such services and the actual expenditures set forth in claims submitted under the terms of this plan. Dealers are cautioned that in the absence of permission to audit the books and records of the Dealer, General Electric Company is under no obligation to honor Dealer's claim.

E. TERMINATION OF PLAN

General Electric reserves the right to terminate or amend any part of this Plan at any time upon written notice. A dealer's participation under this Plan shall end in the event of termination or expiration of his General Electric franchise. The termination, expiration, or amendment of this Plan shall not affect claims for cooperative advertising allowances under this plan with respect to approved and authorized advertising theretofore published.

F. DURATION OF PLAN

This plan is effective from September 1, 1972 to September 1, 1973.

G. ADVERTISING STANDARDS

1. Advertising must meet recognized standards of effectiveness, ethics, good taste, and must be consistent with normal advertising standards to be eligible for cooperative participation.
2. The law prohibits false advertising and misrepresentation. As a matter of good business sense, we should do more than merely observe and respect our obligations under the law. Each advertisement should strengthen public confidence in the dealer and any General Electric product that is advertised; and we shall not participate if, in the opinion of our Manager Market Communications, your advertising does not comply with the provisions of this Plan. False and misleading representation will result in loss of co-op allowances and possible loss of franchise.
3. It is also the policy of General Electric Company not to engage in or endorse fictitious pricing and false claims of price reductions and consumer savings. This policy is clearly set forth in General Electric's "Advertising Guide", and is consistent with the Federal Trade Commission's Guides Against Deceptive Pricing. Each dealer is urged to adhere to the highest ethical standards in the conduct of any promotional activity. Truthfulness is the only way to create and maintain consumer confidence.

H. COPY REGULATIONS - ALL MEDIA

1. It is the intention of General Electric to keep on hand a well-rounded selection of ad mats in a variety of sizes, and also elements such as copy, layout and artwork, and radio and TV spot commercials from which the dealer may prepare his advertisements.

2. The use of advertising mats or layout and copy, scripts, etc., prepared and issued by General Electric is strongly urged. It is recognized, however, that circumstances may require individual dealer preparation of such material to meet market conditions, or for other reasons. Such material must include:
 - Effective "Reason to Buy" headline, reminding the prospect you sell the Elec-Trak tractor.
 - Good product illustration.
 - General Electric monogram and trademark, properly used.
 - Description of outstanding features and values.
 - Persuasion of reader to act, with clear dealer location information.
3. If such individually prepared material is not submitted to the Manager Market Communications for approval in advance of publication, General Electric is not obligated to participate if, in the opinion of the Manager Market Communications, the advertising does not comply with applicable provisions of this Plan.