

Co-Operative Advertising Terms and Conditions 2023/24

Mitsubishi Heavy Industries Air-Conditioners Australia, Pty. Ltd. (MHIAA) Co-Operative Advertising program is designed to offer financial support to our Dealer Network for local advertising activities.

Under this program, MHIAA will assist with the financial costs associated with all **approved advertising campaigns** and encourages Dealers to make a full use of this program maximising the **positive effects that advertising can have for their business**.

Co-Operative Advertising Guidelines:

To ensure that the 2023/24 Co-Operative advertising program is successful for our valued Dealers, the following guidelines have been developed.

1. Dealer's Co-Operative advertising accrual will be based on **1% of the total achievement of Standard Sales** during **1 April 2022 to 31 March 2023**. Standard Sales will be calculated to exclude any Deeper Discount Purchases unless otherwise approved by MHIAA Management.
2. Standard Sales must be over a minimum of \$150,000 to qualify for the Co-Op Advertising fund.
3. MHIAA will contribute 50% of the total cost of the advertising to the value of the Co-Op accrued within the financial year. The other 50% invoiced cost of the advertising will need to be funded by the Dealer.
4. All approved Co-Operative Advertising campaigns are subject to be reviewed by the MHIAA team who will provide guidance on how to best maximise the advertising plans in the current local market.
5. Co-Operative Advertising funds accrued from 2022/23 can only be used for activities conducted between **1 April 2023 and 31 March 2024**.
6. These funds are not transferable for rebates, cash or additional discounts if unused.
7. Any funds not used by the end of March 2024 it will not roll over into the next financial year and are forfeited at the end of the current agreement.

8. All Dealer advertising using the MHI brand is at the discretion of MHIAA and the MHIAA Marketing Team.
9. All Co-Operative Advertising concepts must be approved by the MHIAA Marketing Team before commencing any work. All Co-Op advertising artwork **must** be supplied to the MHIAA Marketing Team for approval **prior to the commencement of the program**. Any activities conducted without prior notification to the MHIAA Marketing Team will not be funded under the Co-Operative Advertising Program and will be at the expense of the Dealer.
10. No activities will be back paid if the Dealer has not sought correct approval for the advertising activity prior to the commencement of the activity.
11. All use of the MHI logo must comply with the MHI Brand Guidelines. Any logo usage that does not meet the MHI Brand Guidelines will be declined and unable to be used. MHIAA will not support or fund any activities where the incorrect logo is used and reserves the right to request Dealers amend artwork to ensure that the logo usage is aligned with the MHI Brand Guidelines.
12. MHIAA Marketing may, at their discretion, request that dealers send them a photo of all artwork once production has been completed. If the MHIAA logo is found to have been altered during production and does not meet the MHI Brand guidelines, any prior approval will be void and cannot be paid under the available Co-OP funds.
13. All Co-Operative Advertising programs including those scheduled (or conducted) in the month of March 2024 will need to be approved by MHIAA before **COB 29 February 2024**.
14. Final Co-operative advertising invoices for FY23/24 must be submitted to MHIAA no later than **COB Friday 5 April 2024**.
15. MHIAA will not accept invoices **after** 5 April 2024 and takes no responsibility for the delays in Tax Invoice submissions from third party contractors/suppliers.
16. All invoices to MHIAA must include all tax invoices from any third-party contractor/supplier used for the advertising program.
17. Proforma invoices will not be accepted in lieu of Tax Invoices from third party contractors/suppliers.

18. No payments will be made to any dealer until the correct third-party contractor/supplier invoice has been provided and validated by MHIAA.
19. All invoices must quote a MHIAA Co-Op application confirmation number issued by the MHIAA Marketing Team upon concept/artwork approval.
20. Where a Co-OP activity utilizes multiple brands, the maximum allowable benefit will be;
 - a. MHI & Dealer logo only: 50% of invoice amount
 - b. 2 major brands (excluding Dealer logo): 30% of invoice amount
 - c. 3 major brands (excluding Dealer logo): 15% of invoice amount
 - d. >3 major brands (excluding Dealer logo): no contribution
21. Any advertising that does not receive approval and is found to have infringed the guidelines for use of the MHI brand, may result in cancellation of the Co-Operative Advertising support.
22. All dealers must adhere to any advertising artwork amendments requested by the MHIAA Marketing team prior to the commencement of the activity. Any activity that is conducted despite the requested amendment will not be covered under the Co-OP funds under any circumstance. It is the responsibility of the Dealer to ensure all branding approvals are received and adhered to prior to the commencement of the activity to ensure compliance with the current terms and conditions.

Co-Operative Advertising Uses:

MHIAA Co-OP program is designed to maximise a Dealers **Brand Exposure** within their local area and can be utilized for:

1. Print Advertising (local/national newspaper or catalogue advertising, letterbox drops, flyers etc.)
2. TV Advertising
3. Radio Advertising
4. Tradeshows / Trade Breakfast / Trade Events
5. Local Charity Events (including CSR charity sponsorships with signage and branding presence)
6. Local Sporting Events (with signage and sponsorship presence)
7. Signage (window signage, building signage, vehicle etc)
8. Branded Merchandise
9. Uniforms
10. Showroom upgrades
11. Digital / Social Media Advertising (MHIAA preferred/approved digital agency only)
12. Billboards
13. In-store promotions
14. Website Upgrades or Content Development (exclusive to MHIAA pages and content)

Any advertising not listed above should be discussed with the MHIAA Team before proceeding. All activities are subject to MHIAA approval and additional terms and conditions may be applied before approval is granted.

Approval Process:

All Co-Operative advertising programs for the financial year must comply with the following approval process. Any activities conducted outside of this process will not be covered under the Co-Operative advertising funds.

1. Advertising Concepts and activities designed/developed by Dealers must be submitted to the MHIAA Marketing Team. Artwork designs or draft artwork and concept programs will need to be submitted as part of this application to obtain a Co-Op application approval.
2. The Marketing Team will review the concept and the attached artwork and will provide any feedback or any required amendments. During this time the MHIAA Marketing Team may also require further information about the activity and approval will be on hold until all required documents or amended artworks are received.
3. Once MHIAA Marketing has approved the concept and logo usage a claim approval number will be issued. This claim approval number must be listed on the Tax Invoice issued to MHIAA once the activity is completed.
4. Once the advertising activity is completed a copy of the supplier invoice and tax invoice to MHIAA must be submitted to the MHIAA Marketing Team direct (marketing@mhiaa.com.au) for processing.
5. Any issues or miscalculations raised from the tax invoice from either the MHIAA Marketing or Finance Teams will be communicated directly to the Dealer and will require amendments. No payments will be made until the amendments are finalised.

Apply for 100% Co-Op:

Dealers will also be able to apply for 100% funding on **selected advertising activities** throughout the financial year up to the maximum value of the Co-Op fund available. 100% funding will be granted on a discretionary basis by the MHIAA team and must comply with all Terms and conditions set out below.

MHIAA in its sole discretion may reject an application for 100% funding and revert back to the standard maximum benefits. In applications where exclusivity cannot be determined with absolute certainty, MHIAA reserves the right to revert the application back to the standard maximum benefits only.

To be granted 100% funding on the below advertising activities, the activity ***must run EXCLUSIVELY between MHIAA and Dealer's business***, MHIAA will cover the entire cost of the advertising activity (subject to the availability of the Co-Op funds) provided the below requirements are met for the selected activities.

1. Building Signage (including but not limited to outdoor window signage or in-store windows and banners)

- a. The selected advertising area must be exclusive to the MHI brand and products.
- b. MHIAA will only agree to pay for the selected window or banner signage provided the MHI logo is used within MHI Brand Guidelines. Any areas of the signage not exclusive to the MHI brand will not be covered under this offer and will follow the standard Co-Op maximum benefits.
- c. MHIAA Marketing Team must have final approval of the artwork and logo usage prior to production as per the above stated approval process.

2. Showroom Displays

- a. For selected showroom display builds or upgrades MHIAA will cover 100% of the cost on the selected area that is exclusive to MHI brand and products.
- b. Mock units or display units can also be supplied and should be discussed with the Account Manager on the process for ordering these units.
- c. MHIAA Marketing Team must have final approval of the artwork and logo usage prior to production as per the above stated approval process.

3. In-Store Promotions (Gift Card Promotions / Prize Giveaways)

- a. The Promotion must be exclusive to MHI products.
- b. Dealers wishing to conduct an in-store promotion must identify the specific MHI products they are focusing on for the promotion and the offer they wish to promote to their customers.
- c. 100% funding will only be granted to Dealers who have an order commitment to support this promotion. The committed order must be placed prior to the commencement of the promotion and include the selected product the Dealer wishes to promote during the promotion. Forward orders may be accepted as commitment order provided the entire forward order is drawn down during the promotional period and the forward order is not reduced during the promotional period. Any changes to the forward order or committed order will result in the cancellation of 100% funding approval and the activity will then follow the standard Co-OP Maximum benefits.
- d. At the end of the promotion, it is required that the Dealer submits a report (post analysis of the promotion) identifying model number sold to end-consumer/trade, serial numbers, prizes awarded and customer details to MHIAA before any funds will be paid.

- e. MHIAA will only reimburse the Dealers for any prizes purchased by the Dealers at the end of the promotion once the above-mentioned post analysis report has been supplied for validation.
- f. Dealers will also need to submit a copy of their supplier invoice for the purchase of the prize.
- g. MHIAA will only provide 100% funding for the prizes that have been awarded during the promotion. This means that if the Dealer purchases more prizes than anticipated for the promotion, MHIAA will only provide 100% funding for the prizes distributed during the promotion. The above report will be used to validate the cost of the promotion.
- h. Dealers must demonstrate how they will be communicating this promotion to their target market and all marketing materials must be supplied and approved by MHIAA Marketing Team prior to the commencement of the promotion.
- i. All details must be submitted to the MHIAA Marketing Team at the beginning of the application process for this program to be granted 100% of the cost of the program.

4. *Digital Advertising (Google AdWords or Social Media Campaigns) using and approved agency.*

- a. Any Dealer wishing to launch a digital advertising campaign with 100% funding must use MHIAA approved/preferred digital advertising agency.
- b. MHIAA will work with you to develop appropriate content and key words to be used for your campaign including identifying customer demographic and target locations, prior to the commencement of the program.
- c. Along with the Supplier invoice from the digital agency, they will also need to provide a report on the reach, click through rate and cost of advertising.
- d. The MHIAA Marketing Team will use this report to determine the value of the funding contribution for the activity.
- e. All landing pages set up alongside the digital advertising campaign must be exclusive to MHIAA products and must not endorse or support any other brands. This means that if a Dealer is using a Google AdWords campaign to generate leads the click through link must be exclusive to MHI products.
- f. Landing pages cannot redirect to a Dealers home page on their website and must redirect to the MHI product specific pages.
- g. Where a dealer is running a full digital campaign with multiple targeted keywords, display or Facebook advertisements, MHIAA will only contribute to the MHIAA exclusive advertisements and use the supporting report to validate the MHIAA contribution.
- h. Digital advertising can be used across a range of platforms including but not limited to Google Search, Facebook, Instagram etc.

5. *Branded Merchandise or Giveaways for Trade partners (B2B)*

- a. Any branded merchandise purchased under 100% funding must be exclusive to MHIAA and the Dealers brand.
- b. 100% funding under this concept can only be used to support the dealers business exposure in a B2B setting. This concept is designed to support dealers with a trade network who would like support them with additional merchandise or giveaways.
- c. Items that can be included under this program include but are not limited to: water bottles, bottled water, pens, tape measures, gift bags and the like placed in a bulk purchase order.
- d. This activity **does not cover** uniforms for staff or customers as these are only eligible for the standard 50% funding.
- e. Dealers must demonstrate how they will be using the merchandise to engage with their trade network and promote the MHIAA brand.
- f. Dealers can choose to engage with the MHIAA preferred supplier for this and the MHIAA Marketing team can assist with the development of the list and the branding approval.
- g. All details and artwork approvals must be provided to the MHIAA marketing team at the start of the application process to be eligible for 100% funding. If the activity does not meet the above process, the Dealer will only be eligible for the standard Co-OP benefits.

All activities that you wish to proceed with at 100% funding are subject to available funds and MHIAA Marketing approval.

For any activities that you wish to apply for 100% funding that are not included on this list, please contact the MHIAA Marketing Team who can request Senior Management approval.

The 2023/24 Co-Operative advertising program is designed to provide you with the funding support to implement and develop advertising campaigns that support your needs to sell more MHI products.

MHIAA looks forward to seeing the new opportunities for advertising that we can work cooperatively on throughout the financial year.

Should you have any questions regarding the above terms and conditions please contact the MHIAA Marketing team to discuss.