



# Distribution Policy

## Sales Territories

Skutt does not assign territories. We feel it is best to leave this purchasing decision up to the end user. Due to the fact that electrical and regulatory requirements vary widely across countries, all equipment sales made outside of the native country of the Distributor must be pre-approved by Skutt.

## Promotions

We have chosen not to offer promotions directly from Skutt. Every market is different and we have found that decisions on the type and timing of promotions are best left to the Distributor.

## Trade Shows

We expect Distributors to promote Skutt equipment at trade shows when they have a booth. This does not always mean that equipment must be displayed but we do expect to be have equipment displayed if the Distributor is displaying other competitive brands.

## Storefronts and Showrooms

All Distributors must have regularly scheduled hours and published phone numbers through which they can be contacted. We understand during busy times calls may be sent to voice mail but we expect Distributors to be adequately staffed so these occasions are minimized and that calls are returned in a timely fashion.

There are now many types of business models for marketing ceramic equipment, and therefore we no longer require a showroom. We do however require a storefront. This must be a physical commercial space that customers can go to if necessary to resolve issues in a professional environment.

## Knowledge and Training

We expect Skutt Distributors to be Salespeople. There must be some value added to justify the discount they receive. This means that Distributors must have trained staff that can answer questions regarding product features, operation, and repair.

If training is needed for employees, Skutt can provide it at little or no cost to the Distributor.

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## DISTRIBUTION POLICY CONTINUED

### **Distributor Product Pricing**

We expect Distributors to price our equipment at a point that allows them the margins to provide the level of service and commitment to overhead outlined in the policies above.

### **Skutt Price Increases**

In this evolving world economy there is a potential for large cost increases in our raw materials, services, and fees that allow us to get our products to the customer. For this reason Skutt reserves the right to increase prices at anytime with a 30 day prior notice.

We of course will do everything on our end to maintain our quality and keep our prices competitive. We expect distributors to notify customers that prices on our products can change within a 30 day window.

We realize that bids can make this tricky which is why we will honor pricing on bids for up to 60 days after a price increase when the bid was submitted prior to the knowledge of a price increase.

If you are working on a large bid we suggest you contact us to see if you should build a potential price increase into your bid submission.

### **Termination of Distributor Agreement**

At any time, either Skutt or the Distributor can terminate the Distributor Agreement with 30 day advance written notice.