



FAQS: VALUE-ADDED RESELLER AGREEMENT

Q: Why should I want to be an Electromotive Value-Added Reseller and sign this agreement?

A: Electromotive is a well-established high performance ignition and ECU brand with loyal customers and advocates around the world.

We are investing significantly in building and supporting our brand in the marketplace and through our resellers. Our new marketing efforts in 2015 include:

- Enhanced referrals through web, telephone and email channels.
- Regular factory promotions allowing you to remarket the savings to your customer base.
- Significant new investments in www.electromotive.com content and capabilities as well as marketing efforts to drive traffic to the site and our resellers.
- VAR Co-marketing and co-op advertising support.
- New ECU products, peripheral products and accessories allowing VARs to increase order size.

Q: Why is Electromotive updating its reseller program?

A: We are seeking to better define the capabilities and commitment of our resellers while growing the number of resellers and service providers around the world. We believe it's important to have a clear two-way commitment in these relationships. Previously there has been no written reseller agreement, leaving many aspects of relationship unclear.

Q: Why do I have to complete an application?

A: We want to assure your desire to represent the brand and at what level. Secondly, we want understand your business model to assure fit with Electromotive and finally, the information you provide is critical in matching customer referrals to your business services and specialties.

Q: If I am already an Electromotive reseller do I have to complete the application and agreement? What happens if I don't?

A: Yes, everyone has to complete the application and agreement. Until you do, you will continue to receive your current product pricing during 2015, but you will not earn the benefits of the new VAR agreement until we receive and approve your application.

Q: Why do I have to sign a legal agreement?

A: The agreement is in place simply to reinforce the reciprocal commitments between the reseller and Electromotive and to make sure both parties are aware of their respective rights and responsibilities.



Q: Does the legal agreement require me to maintain a certain level of purchases?

A: No. It simply addresses what you will and will not get in benefits based on what you choose to spend. And, it allows both parties to protect their respective brands should there be a reason to end the relationship by either party.

Q: What if my purchase level drops below the minimum level any given year?

A: You retain your earned level of reseller status for 12 months following your last qualifying purchase. If your purchases remains below the minimum level after 12 months, your reseller level and reseller support (including discount level) may adjust downward.

Q: What if my purchase level increases such that I qualify for a higher reseller status?

A: Your reseller status and benefits (including discount level) are increased immediately. Your new discount is not retroactive to previous purchases. The new status is good for 12 months after your qualifying purchase.

Q: Is the discount qualification and reseller status level calculated on the “Racer Net” price or the price I pay?

A: Your reseller status and discount levels are based on the actual price you pay.

Q: What is Racer Net?

A: Racer Net is the minimum price at which resellers can advertise Electromotive products. Also known as the minimum advertised price (MAP).

Q: What if I have a higher discount level before I sign the agreement than my new status level offers in your new program?

A: If your current discount is higher, you will retain that discount, upon completion of the reseller agreement, until further notice but a minimum of 12 months. Alternatively, if your current discount is lower than the new discount, you will earn the higher discount immediately.

Q: How will you protect product retail pricing going forward?

A: Our policy remains the same. No reseller can advertise our products in any channel, including Internet auction sites for below Racer Net pricing. This includes a prohibition on “or best offer” (OBO) designation on auction sites.

Q: If after becoming a VAR my future purchasing falls below VAR levels, do I automatically become an Authorized Installer/Tuner?

A: First, you have 12 months after your initial qualifying reseller purchase to make additional purchases to retain or increase your reseller level. Otherwise, assuming you wish to become and AIT, are qualified and are in good standing relative to the terms of



the reseller agreement, you can become an AIT. There may be a need to re-apply or provide additional details about your business.

Q. How does Electromotive go about choosing where to send referrals?

A: We receive regular customer enquiries by telephone, email and via our website. Customers can find a local reseller online (capability planned for early/mid 2015).

Electromotive sales representatives will direct customers, who call or email, to the closest and most applicable reseller, depending on our understanding of customer needs and how they match with resellers' qualifications and specialization. We attempt to refer customers within 25 miles of the reseller.

Q: Right now your sales and tech support services are only available 8 hours a day during weekdays. How are you going to address the needs of resellers on other time zones and on weekends.

A: We are making a major investment in www.electromotive.com to allow resellers to purchase products and access more robust tech support information 24 x 7 x 365.

Q. Can I buy Electromotive products through your website?

A. E-commerce functionality is planned for electromotive-inc.com for mid to late 2015. Once in place, you will be able to use your password-protected account and order. Any product discount and related shipping benefits will automatically be applied.

Q. Do I get an exclusive territory or market?

A. Electromotive does not offer exclusive territories or markets. We make every effort to fairly distribute customer referrals to the closest and most appropriate AIT or VAR, based on the stated customer need and their location. If there are multiple VARs fitting the criteria, we will rotate referrals between them.