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## *Growth Rebate Partnership Program*

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### ***Growth Rebate Program Statement***

In an effort to reward our distributor partners who are growing RKI's business, RKI now offers a Growth Rebate Partnership Program, effective 10/01/2019. This program is designed to reward your organization with cash for sales growth achieved.

### ***Growth Rebate Program***

*Growth Targets* will be set based on previous year sales, averaged on a quarterly basis. For Q4 2019, the Quarterly Growth Target will be based on the twelve months ended 9/30/19.

10% growth will receive a 3% payment on the growth achieved.  
20% growth will receive a 5% payment on the growth achieved.

Eligibility for the *Growth Rebate* requires exceeding the *Year to Date Growth Target* and will be evaluated at the end of each quarter.

Quarterly growth rebate payments will be made within 30 days after each quarter.

This *Growth Rebate Program* replaces RKI's Marketing Coop Program, which will no longer be available beginning in January 2020.

### ***Growth Rebate Program Requirements***

Must be a fully authorized RKI Distributor in good credit standing.

Must be a fully authorized RKI Distributor for a minimum of 12 months to participate.

Must have a minimum of \$50,000 in sales within the prior year.



**Example:**

ABC, Inc. sold \$100,000 of RKI products last year. Average Quarterly sales were \$25,000. ABC's 10% growth target is \$110,000 annually, and \$27,500 quarterly. ABC's 20% growth target is \$120,000 annually, and \$30,000 quarterly.

<b>10% growth will receive a 3% payment on the growth achieved. 20% growth will receive a 5% payment on the growth achieved.</b>					
					<b>Total of Rebate Payments</b>
		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>3% Rebate</b>	Prior Year Sales	25,000	\$50,000	\$75,000	\$100,000
	Current Year Sales	\$29,500	\$43,500	\$123,500	\$158,500
<b>5% Rebate</b>	Growth	\$4,500	(\$6,500)	\$48,500	\$58,500
	Rebate Percentage Earned	3%	0%	5%	5%
	Rebate Amount Earned (Rebate % Earned x Growth)	\$135	\$0	\$2,425	\$2,925
	Previous Rebate Payments	\$0	\$135	\$135	\$2,425
<b>Net Rebate Due</b> (Aggregate Rebate Amount - Previous Rebate Payments)		<b>\$135</b>	<b>\$0</b>	<b>\$2,290</b>	<b>\$500</b>
					<b>\$2,925</b>

In Q1, ABC sells \$29,500 of RKL products. This is above the quarterly and cumulative target and eligible for a 3% rebate on growth of \$4,500 (\$29,500 - \$25,000). The rebate is paid to ABC on a \$135 rebate check issued by the end of April.

In Q2, ABC sells \$14,000 and does not qualify for a growth rebate.

In Q3, ABC sells \$80,000 which brings their YTD sales to \$123,500. Since ABC's previous year Q3 cumulative sales were \$75,000 (based on their quarterly average) and their actual current-year sales were \$123,500 (a 65% growth for Q3), they qualify for a 5% growth rebate on the growth amount of \$48,500. The aggregate rebate amount earned through Q3 is \$2,425 (5% x \$48,500) and after subtracting the amount of rebate paid in Q1 (\$135), a rebate check is written for the amount of \$2,290.

In Q4, ABC sells \$35,000 bringing the cumulative total to \$158,500. This is over the 20% growth target (59% growth), which qualifies for a 5% rebate. ABC earns a rebate of 5% on the \$58,500 cumulative growth amount (\$158,500 - \$100,000). The aggregate rebate amount earned through Q4 is \$2,925. After subtracting the amount of rebates paid in Q1 and Q3, a rebate check is paid in the amount of \$500 (\$2,925 - \$2,425).