

GOLF OUTINGS

Expenses related to the sponsorship of activities related to golf outings are subject to Co-Op credit. This includes the sponsorship of specific golf holes or specific contests that may occur during an outing. Documentation required to receive Co-Op credit must include receipts for all expenses incurred for the outing or specific event for which you are requesting Co-Op credit.

SHOWROOM DISPLAYS

Standard showroom displays, built-ins, hand samples, corner cut-aways, and related point-of-sale items are subject to Co-Op credit.

BILLBOARD ADVERTISING

Entire billboard must be dedicated to Semco and dealer. Semco logo must be displayed.

YELLOW PAGES ADVERTISING

Semco will cover a portion of the space cost for any Yellow Pages advertising that displays the Semco logo. However, the percentage of credit issued will be determined by how much of the space purchased is devoted to Semco. If other products (even non-competitive) are listed, the percentage of Semco's credit will be reduced.

PROMOTIONAL ITEMS

Semco offers a wide assortment of promotional items that can be used to assist you in promoting brand recognition for Semco products. These include apparel items and other articles used to promote good will. Many of the apparel items can be personalized with the name or logo of your company.

The maximum amount of your Co-Op funds that can be used for the purchase of promotional items is 50% of your total Co-Op allowance.

POINT-OF-PURCHASE SIGNAGE

Semco offers in-store banners, job site signs, and other P.O.P. materials to help promote Semco products at the point-of-sale.

LOGO DECALS

Semco makes available to its dealers numerous sizes of Semco logos. These logos are suitable for application to any smooth and clean non-porous surface.

LITERATURE

Semco offers an extensive selection of literature presentations for our entire product line. The maximum amount of your Co-Op that can be used for the purchase of literature is 50% of your total Co-Op allowance.

TIME LIMITS FOR FILING CLAIMS

All claims for Co-Op credit should be filed within 90 days from the date of the billing invoice. Claims that go beyond this 90-day period will not be eligible for Co-Op credit.

LIMITATIONS, CONDITIONS, AND EXCEPTIONS

Semco (Semling-Menke Co., Inc.) reserves the right to disallow any request for Co-Op credit which contains false or exaggerated claims about any Semco product or Semling-Menke Co., Inc. in general. Only ads that display the Semco logo in its prescribed and accepted format will be allowed for Co-Op credit.

Agency fees, artwork or production charges, special position charges, sales tax, and other miscellaneous fees are not subject to Co-Op credit.

You may feel free to contact Semco's Corporate Marketing Department if you are in doubt or have any questions pertaining to Semco's Co-Op Policy.

PRE-APPROVAL

If at any time you would like prior approval on publication of an ad, you may fax us a proof. We will review your proof and respond to you within one business day. You can fax your proof to 715-536-3067, Attn: Marketing Department.

WEB SITE SUPPORT

Semco's web site (www.semcowindows.com) can be used as a valuable resource for your advertising efforts. To access this portion of our web site, simply go to our web site and click on the Dealer Support icon.

HELPING YOU GROW YOUR BUSINESS BY USING THE POWER OF ADVERTISING

Advertising is one of the most important keys to your success. Let Semco's generous Co-Op program help you achieve the level of success that you desire.

Your advertising efforts can take many forms. It can be broadcast (TV and Radio), print (Newspaper, Magazine, Special Interest Flyer, or Billboard), Advertising Specialties (Premium Items such as Mugs, Golf Items, and Apparel). No one approach will do the total job and the most successful programs are a combination of any number of different mediums.

Consider the following reasons to advertise:

- **ADVERTISE TO REACH NEW CUSTOMERS**
Your market changes constantly. New families moving into your area create new selling opportunities as lifestyles and buying habits change. Remember, on average 20% of families will move this year, 5 million people will marry and 4 million babies will be born. All of these factors can create a need for Semco windows and doors.
- **ADVERTISE CONTINUOUSLY**
Building/remodeling professionals don't have the store loyalty they once did. You must advertise to keep pace with your competition. You must promote your business and your products to get former customers to return and to attract and influence new ones.
- **ADVERTISE TO REMAIN "TOP OF MIND" DURING THE PURCHASING PROCESS**
Many people postpone buying decisions. They often go from store to store comparing prices, quality and service. Active advertising will reach potential buyers throughout the entire decision-making process. Your name will be fresh in their minds when they ultimately make the decision to buy.
- **ADVERTISE BECAUSE YOUR COMPETITION IS ADVERTISING**
There are only so many consumers in the market who are ready to buy at any one time. You'll need to advertise to keep regular customers and to counterbalance the advertising of your competition. You need to advertise to keep your current customers or you may lose them to your competitors who are advertising more aggressively.

- **ADVERTISE BECAUSE IT PAYS BIG DIVIDENDS OVER TIME**
Advertising gives you a long-term advantage over competitors who cut back or cancel their advertising activity. Advertisers who maintain or expand advertising over a sustained period of time have seen their sales increase.
 - **ADVERTISE TO CREATE AN IDENTITY FOR YOUR BUSINESS**
Continuous store traffic is the first step toward sales increases and expanding your base of shoppers. The more people who know about your business, where it is located, and what products you offer, the more opportunities you have to make additional sales.
 - **ADVERTISE BECAUSE THERE IS ALWAYS BUSINESS TO GENERATE**
Your doors are open. Salespeople are on the payroll. Even the slowest days produce sales. As long as you're in business, you've got overhead to meet and new people to reach. Advertising can generate customers now and in the future.
 - **ADVERTISE TO KEEP A HEALTHY POSITIVE IMAGE**
In a competitive market, rumors and bad news travel fast. Advertising corrects misleading gossip, punctures "overstated" bad news. Advertising that is vigorous and positive can bring shoppers into the marketplace, regardless of the economy.
 - **ADVERTISE TO MAINTAIN EMPLOYEE MORALE**
When advertising and promotion are suddenly cut or canceled, salespeople may become alarmed and demoralized. Positive advertising boosts morale and gives your staff strong additional support and helps them make more sales.
- No doubt by now you can see how a well constructed and carefully executed advertising plan can be of tremendous benefit to your business. Read further to see how Semco's Co-Op program can assist you in achieving your goals.

WHAT IS ADVERTISING?

Advertising can take many forms. Advertising, when related to Semco's Co-Op Advertising Policy, will be defined as listed below:

- **PRINT ADVERTISING**
Newspapers, newspaper inserts, and magazines.

- **BILLBOARD ADVERTISING**
Outside display advertising.
- **BROADCAST ADVERTISING**
Radio and television advertising.
- **YELLOW PAGES ADVERTISING**
Advertising placed in phone directories.
- **TRAINING / SEMINARS:**
Builders nights and product training seminars.
- **GOLF OUTINGS**
Sponsorship of outing, specific golf holes, and related specific contests.
- **PROMOTIONAL ITEMS**
Wearing apparel and related items.
- **POINT-OF-PURCHASE SIGNAGE**
Banners, posters, and related sales aids.
- **TRUCK GRAPHICS**
Logo decals.
- **LITERATURE**
Catalogs, brochures, and related printed literature.
- **DISPLAYS**
Standard showroom displays, hand samples, corner cut-aways, and related point-of-sale items.

CO-OP CLAIMS AND ASSISTANCE

All matters relating to Semco's Co-Op Policy should be addressed to: Attn: Corporate Marketing Department
Semco Windows and Doors
605 N. Ohio St. • Merrill, WI 54452

PRODUCTS INVOLVED

All of Semco's first quality windows and doors are covered under this Co-Op policy.

PARTICIPANTS

All Semco Dealers are covered under this Co-Op policy.

HOW YOUR CO-OP BUDGET IS CALCULATED

The amount of Co-Op funds you have available in your individual Co-Op account is based upon one percent of your past year's (January - December) paid invoices, once any adjustment credits have been deducted.

For example, if the total of your past years's paid invoices, minus any adjustment credits, were \$5,000,000, your Co-Op account balance would be \$50,000. (\$5,000,000 x .01 = \$50,000)

This total amount would be usable for all of the previously listed advertising activities during the current calendar year.

ALLOCATION OF FUNDS

Co-Op funds must be used between the dates of January 1 and December 31 of the current calendar year. Funds not utilized during this time period cannot be carried over to the next calendar year. However, you do have until January 31 of the new calendar year to submit claims for authorized expenses incurred during the preceding calendar year. (Also see paragraph titled "TIME LIMITS IN FILING FOR CO-OP CREDIT.") These expenses will be applied to your past year's Co-Op account. Requests for Co-Op credit received for expenses incurred during the previous years after this January 31 deadline are not subject to credit.

REIMBURSEMENT

All approved advertising activities are reimbursable at the percent indicated below adjacent to the listed activity. Reimbursement will be in the form of a credit memo issued by the Semling-Menke Co., Inc. To receive reimbursement, your account with the Semling-Menke Co., Inc., must be current.

Print Advertising.....	50%
Billboard Advertising	50%
Broadcast Advertising	50%
Yellow Pages Advertising	50%
Truck Graphics	50%
Trade Shows*	50%
Displays	50%
Training Seminars*	100%
Point-of-Purchase Signage and Logos	100%
Literature*	100%
Golf Outings	50%
Promotional Items*	50%

* Subject to conditions detailed in this Co-Op policy.

MEDIA / ACTIVITIES ELIGIBLE FOR CO-OP CREDIT

All of the activities listed in this Co-Op policy are subject to Co-Op credit as per the conditions and requirements described here in.

MATERIALS AND SERVICES SUPPLIED

Semco has artwork and related support materials that can be used to promote the Semco brand in your individual market areas. Many of these support materials are sent to you with your initial "Welcome Letter" that you receive when you become an authorized Semco dealer. These materials can be used in newspaper and magazine advertising as needed.

Semco's Marketing Department will assist you in developing a comprehensive advertising program. We can review your marketing plans and make suggestions on how best to use your advertising dollars to their most effective potential. The Marketing Department will assist you in doing media analysis to help you determine the best medium to carry your advertising message. For further details contact Semco's Marketing Department.

CONSUMER / TRADE SHOWS

Semco supports and encourages its dealers to participate in home shows within their market area. To assist our dealers we offer the following:

DISPLAY BOOTH CHARGES

Semco will Co-Op 50% of the cost of booth space if Semco is the only company featured in the booth. If other building products are also displayed, Semco's percentage of reimbursement will be reduced, based upon the amount of space devoted to displaying Semco products.

For example, if a customer is showing Semco windows and patio doors, roofing materials, and siding materials in the same booth – Semco's percentage of reimbursement would be reduced to 50% of one-third of the cost of the booth.

PRODUCT SEMINARS

BREAKFAST, LUNCH, AND DINNER MEETINGS

Semco must be the only product(s) discussed, displayed or demonstrated during the entire course of the meeting. Complete documentation of all costs (in the form of paid invoices) must be submitted with claim form, as well as a brief description of the purpose of the meeting and a list of those who attended.

RENTAL DISPLAYS

Semco will make available displays of our products for use at home shows. These displays are subject to a first come, first served basis, and must be reserved a minimum of 60 days before the date needed.

The only fee for using these displays is a freight charge, which is subject to Co-Op.

GENERAL REQUIREMENTS

NEWSPAPERS, TABLOIDS, FLYERS, AND CIRCULARS
Must use correct logo and illustrate or describe Semco product(s) accurately. No competitive product(s) or name(s) may appear in the same ad or on the same page in the case of flyers, circulars, or tabloids. Tear sheets, paid media invoice, and claim form must accompany request for Co-Op credit.

MAGAZINES

Must use correct logo and illustrate or describe Semco product(s) accurately. No competitive product(s) or name(s) may appear in the same ad or on the facing page. Tear sheets, paid media invoice, and claim form must accompany request for Co-Op credit.

RADIO

Mention Semco name at least twice during the commercial. No competitive name(s) or product(s) mentioned during the commercial. Copy of script, broadcast affidavit, paid media invoice, and claim form must accompany request for Co-Op credit. (Check with Semco's Marketing Department for availability of printed scripts and prerecorded 30-second and 60-second spots.)

TELEVISION

Must use correct logo and illustrate Semco product(s) accurately. No competitive product(s) or name(s) may appear as a visual in the commercial or be mentioned in the audio script. Video tape of commercial, broadcast affidavit, copy of paid media invoice, and claim form must accompany request for Co-Op credit. (Check with Semco's Marketing Department for availability prerecorded 30-second spots.)