

Eaton Distributor Agreement 2007

This agreement covers the stocking of Eaton products:

- **Consumer Interface Products** (previously MEM 250)
Wiring Accessories - Consumer Units - Cable Management -
Lighting Controls and associated devices.
- **Commercial Assemblies** (previously MEM CP&C)
MCB Distribution Boards - MCCB Panelboards - MPS -
Enclosed Control - Enclosed Switchgear and associated devices.

To participate, an Eaton Distributor commits to:

- Be an authorised Eaton Stockist who operates a recognised stocking system and implements stock rotation. Must have a minimum turnover with Eaton products of £30K/C= 45k per year.
- Major on Eaton products.
- Agree to maintain a minimum stock holding of Eaton products to a minimum of one sixth of their annual purchases of these products. The minimum stock level in line with the Business Plan will be checked periodically by the Eaton sales engineer and will be reviewed annually.
- Agree sales targets and implement actions agreed in the Business Plan on an individual branch basis to maximise sales of Eaton products.
- The Eaton Distributor shall retain sufficient profitability on all sales of Eaton products to support the further sales growth of the Eaton product range.
- Make space in the trade counter area for Eaton point of sale material.
- The branch manager to identify and nominate a suitable person within the branch to attend training courses organised by Eaton.

The Eaton Distributor will encourage:

- Their sales staff to make joint calls with the Eaton sales engineers.
- Share mutual referred leads.
- 'Over the counter' business for Eaton products.

The Benefits of being an Eaton Distributor

- Partnership with a world-class manufacturer.
- Stock orders delivered within seven days.
- Fast track delivery for urgent order.
- Demand for Eaton product created through our extensive sales and marketing team.
- Annual stock cleanse facility.
- Agreed business plan.
- Product and application training.
- Factory visits for both Eaton Distributors and their customers.
- Continual product development programme to strengthen Eaton's market position.
- Eaton will undertake to monitor and manage the scheme in the best interest of both companies.
- After sales support.

Eaton will undertake to:

- Monitor and manage the scheme in the best interests of both companies.
- The Eaton Distributor will enjoy priority in replenishment of stock to the recommended stock levels. These levels to be periodically reviewed by Eaton.
- Provide press advertisements, press releases and articles to promote interest in Eaton products.
- Provide Stockist's staff with information regarding product changes e.g. new products, altered specifications, etc.

- Make joint visits to the participating branch customers.
- Arrange factory visits for both Eaton Distributors and their customers.
- Organise suitable product and application training courses.
- Work closely in securing contracts with the Eaton Distributor branch.
- Support local branch initiatives mutually agreed with the Eaton Regional Sales Manager.
- Provide Eaton Distributor and their customers with literature including catalogues, technical guides and point of sale material where necessary.
- Operate a stock cleanse policy in relation to the products covered by this agreement.
- Deliver stock orders within seven calendar days of the order being received.

Stock Cleanse Agreement

In accordance with our commitment to support the principle of efficient stock management, Eaton offer the following stock cleanse arrangements against agreed stock profiles only.

1. One stock cleanse per annum will be offered in a pre-agreed month as part of the Business Development Plan. The stock cleanse will be initiated by the relevant Eaton Sales Engineer 4 to 6 weeks before the agreed month and can take place at any time during that month. Stock cleanses outside the agreed month will not be allowed.
2. All stock to be cleansed will be viewed by the Eaton Sales Engineer and accepted only on the following basis:
 - a. Items must be in inner pack quantities and in a re-saleable condition. Products only of current specification in original packaging which are undamaged, in re-saleable pristine condition and under two years old are included in this agreement.
 - b. Items, quantities and value will be agreed between the Branch Manager and Eaton Sales Engineer and identified on the Stock Cleanse Authority form. The Eaton Sales Engineer will process all requests after inspection of products.
 - c. Once agreed, the items to be cleansed will be secured by the Eaton Sales Engineer, identified and left ready for collection.
3. Eaton will arrange the collection of goods as soon as possible after the completion and submission of the Stock Cleanse Authority form at Eaton's expense provided that all conditions of the Stock Cleanse Agreement have been met.
4. The value credited to each product item will be nett invoice price less a handling charge to be agreed with the Eaton Sales Engineer and Distributor Branch Manager.
5. The total value of any given stock cleanse will not exceed 5% of the previous years sales to the branch.
6. Non-standard items that are made to order will not be cleansed.
7. Product will only be accepted as part of the stock cleanse on the basis that the distributor ordered it no more than 2 years before any given stock cleanse.
8. Only goods purchased by the particular 'distributor branch' will be accepted as part of the stock cleanse.
9. The terms of the stock cleanse arrangement may be varied at the discretion of Eaton at the beginning of any calendar year as part of the Business Plan.