



SUSPENSIONS • BODY PROTECTION • LOW RANGE GEARING • HD AXLES

Preferred Dealer Application

Thank you for being one of our valued TeraFlex Dealers!

We promise to:

- Stand behind our products
- Deliver high quality products and value to you and the end consumer
- Deliver TeraFlex products that improve performance and safety
- Be available to support both you and your customers regarding our products
- Fill your orders in a timely manner
- Promote our Dealers as the primary source for TeraFlex products
- Maximize profitability by offering discount margins that support your business

In return we ask that you:

- Promote TeraFlex products by providing excellent customer service
- Honor our minimum advertised price (MAP) program with integrity
- Encourage proper installation and use of TeraFlex products to ensure user safety

As we work together as partners for success, we know that you will enjoy being a part of the TeraFlex Advantage!

Our Mission Statement

As a company we are the industry leader providing innovative and high quality products that enhance the Jeep owner's experience both on and off road.

We accomplish this by offering:

- No excuses quality and value.
- Products specifically engineered to increase on and off-road performance and safety.
- 100% customer satisfaction.
- Stress-free access to buy product.
- An experienced, easy to contact, caring, customer service coach, offering sales and product support that are easy to obtain and understand.
- A work environment that supports family values and rewards excellence.





GUIDELINES & POLICIES

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Pricing/Advertising Agreement:

All Dealers must complete and return a pricing agreement. Dealers agree to not advertise TeraFlex products for less than the Minimum Advertised Price (known hereafter as MAP). The term 'advertising' includes, but is not limited to: print ads, promotional flyers, mail order material, catalogs, radio, television, and other promotional efforts where a price is listed or given for a particular item. Any and all Internet ads should not include statements such as, "Prices Too Low to Print," "Buy Now," or "Limited Time Offer," with prices which are lower than MAP. Internet auctions must also be in compliance with our stated MAP. If a dealer does not maintain MAP, they could be subject to:

- a loss of drop shipment privileges.
- a loss of pricing discounts (5% associated with the correct maintenance of MAP).
- a loss of their Dealer account.

Buy-In:

A minimum buy-in of \$10,000.00 is required to become a TeraFlex Dealer, in which new Dealers will automatically be set at the Wholesale Distributor level. Dealer discounts are based on annual sales by calendar year. New Dealers will have their price level evaluated after the first complete calendar year.

Note: Axles are not counted as part of the buy-in requirement.

Discount Policy:

The discount levels are based on calendar annual sales:

- Up to \$14,999 – Dealer Level
- \$15,000 - \$39,999 – Distributor
- \$40,000 - \$79,999 – Wholesale Distributor (WD)
- \$80,000 and more – Master Distributor (MD)

A Dealer that falls below the WD status in previous year sales can be reinstated as a WD with a single \$10,000 stocking order excluding Axles.

Note: Internet only (dotcom) accounts and export accounts do not qualify for WD or MD price levels.

Advertising:

Tera Manufacturing has no established co-op advertising allowance at this time, but will work with our dealers to participate in product reviews and new product releases. For details, please call the Marketing Department at (801) 288-2585.

Promotional & Showroom Display Pricing:

Tera Manufacturing offers special pricing on most of our products for media and other promotional opportunities. To take advantage of this, fax a request to the Marketing Department at (801) 713-2313, or call us at (801) 288-2585 for more information.

Employee Purchase Program:

Tera Manufacturing offers special discounts to employees of our established Dealers. To obtain this discount you must submit a completed "Employee Purchase Program Form", available upon request, and fax it to (801) 713- 2313. Pricing will be issued after the completed form is received.



Freight Policy:

Tera Manufacturing will prepay any single order over \$5,000.00 in the continental USA. All prices are F.O.B. Murray, Utah. **This policy excludes axle assemblies and any OEM special contract priced items.** Additional surcharges and fees from the transport company may be applied as needed and are NOT covered by the prepaid terms.

Order Policy:

We accept orders in the following ways:

- Fax to (801) 713-2313
- E-mail to sales@teraflex.com
- EDI (Electronic Data Transfer) 3rd party
- Verbal orders by calling (801) 288-2585

Although verbal orders are accepted, this is the most error prone way to order. To ensure accuracy we require a confirmation on all verbal orders before the order is input for processing. If you waive the paper order confirmation you assume responsibility for errors with your orders.

- **Coming soon**, orders can be made online at www.tera-ex.biz using your account number login and password. For more information, contact Paula at p.vario@teraflex.com.

Product Returns:

All product returns must be pre-approved. Contact customer service for return authorization. A return authorization number must be prominently shown on the outside of the box(s). Products returned for Warranty must be received and inspected before any account credit can be issued. New, unopened products may be returned for credit; however, the account credit will not be issued until the product(s) is/are received and inspected. A restocking fee of up to 15% may be charged based on product type, condition of the items, and the packaging. The restocking fee may be waived if an offsetting order is received at the time of the return.

Drop Ship Policy:

Tera Manufacturing offers a limited drop ship policy. This allows qualifying Dealers to benefit from the TeraFlex inventory by shipping orders direct to the consumer from our inventory. Our guidelines are as follows:

Each Dealer will be allowed five (5) drop shipments per month free of a drop ship fee. Upon the sixth (6th) occurrence, a drop ship fee separate from shipping and handling will be added as a line item on the invoice. The drop ship fee is 10% of the invoice total (less shipping and handling). Five (5) additional drop shipments will be allowed for every \$5000 dealer stocking order placed (see freight policy above). These additional five drop shipments are not retro-active and the order must be placed before the sixth drop shipment or the standard 10% drop ship fee will still apply. These additional five drop shipments expire the last day of the month the stocking order was placed.

Payment Terms & Conditions:

All new vendors with approved credit will have an initial credit limit set, which may be adjusted based on payment history and average monthly purchases. Accounts that have exceeded the limit can be subject to stop shipment until sufficient payment has been received to reduce the balance due to below the credit limit. After a record of consistent payment has been established, we can offer invoice terms of 5% discount on invoices paid within 10 days of invoice date. All invoices are due 30 days from invoice date. Any balances that remain open after 30 days are subject to finance charges of 1.5% per month (18% annual rate). Any account past due 30 days will forfeit the 5% early pay discount on new invoices until the account is brought current. Discounts taken on invoices after 10 days will be disallowed with payment in full required within 30 days.





PRICING AGREEMENT

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APPLICATIONS SUBMITTED WITHOUT THE FOLLOWING WILL NOT BE PROCESSED.

In addition to the attached application and information sheets also include the following:

1. Photographs of the business- (Install Center, Storefront & 2 of the Showroom). 4 photographs minimum.
2. Copies of sales tax license and any applicable business permit(s)

In order to maintain the perceived value of Tera Manufacturing products, I agree and promise that

(company name)

will never advertise any Tera Manufacturing product in any medium for less than the provided "Minimum Advertised Price", as listed in the most current price sheet. This agreement applies to all media including, but not limited to, magazines, radio, television, and the internet. The Minimum Advertised Price may also be referred to as MAP. Furthermore, I understand and acknowledge that by violating the above agreement my company may forfeit its purchasing privileges from Tera Manufacturing. In cases of noncompliance with MAP pricing, the discount associated with correct maintenance will be retracted.

Furthermore, I acknowledge that Tera Manufacturing can, at its discretion, terminate my dealership, purchasing privileges, and/or special pricing for aiding or assisting any party that violates this 'Minimum Advertised Price' agreement.

Signed

Date

Name (printed)

Job Title

Company

APPLICATIONS SUBMITTED WITH THIS AGREEMENT UNSIGNED WILL NOT BE PROCESSED.



This contract must be on file for dealers to qualify for discounted pricing.
Please mail the completed agreement to:

1-08

Tera Manufacturing, Inc.
5251 South Commerce Dr. • Murray, UT 84107-4711
phone/801.288.2585 • fax/801.713-2313

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APPLICATION & CREDIT INFORMATION

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Company Name _____ Website _____

By _____ Title _____

Billing Address _____

City, State, Zip _____

Telephone () _____ A/P Contact Person _____

Fax () _____ E-mail address _____

Type of Organization:

Corporation _____ Partnership _____ Limited Partnership _____ Sole Proprietorship _____

Type of Business _____ Date Started _____

Is your building owned _____ or leased _____. If leased, provide the landlord's name and telephone number.

Name _____ Telephone () _____

Taxable: Yes ___ No ___ Exempt Number _____ If no, complete exemption certificate.

Owners and/or officers:

Name _____ Title _____ SSN# _____

Home Address _____ Home Phone _____

Name _____ Title _____ SSN# _____

Home Address _____ Home Phone _____

Name _____ Title _____ SSN# _____

Home Address _____ Home Phone _____



Bank References:

Bank _____ Address _____

Officer to contact _____ Telephone () _____

Checking Account # _____ Savings Account # _____

Trade References - Required:

Name _____ Address _____ Fax _____ Contact Person _____

I/We acknowledge receiving a copy of this application and declare My/Our willingness to abide by Tera Manufacturing's terms of payment. It is also agreed that I/We will pay a late fee of 1-1/2% per month of the total amount past due, and should a default in payment occur, I/My company will pay all reasonable collection costs, attorney fees, and court expenses. If a suit is instituted due to nonpayment, it is understood that Salt Lake City, UT will be recognized as having venue jurisdiction.

In consideration of Tera Manufacturing extending credit to My/Our company, I/We, as (an) officer(s), do personally guarantee and indemnify Tera Manufacturing against loss of indebtedness from My/Our company. This guarantee shall be a continuing and irrevocable guarantee which shall be binding upon me and My/Our legal representatives, and notice of default is waived.

Information provided on this form is given for the purpose of obtaining credit and is warranted to be true. Tera Manufacturing is authorized to contact the references on this application and verify My/Our credit/financial history and experiences.

List all partners:

Signed _____ Print Name _____ Date _____

#1 _____

#2 _____

#3 _____

Preferred Account Type:

Open _____ COD _____ Credit Card _____

APPLICATIONS LEFT UNSIGNED WILL NOT BE PROCESSED.

I, the undersigned, acknowledge that the information provided on this application will be used to establish the applicant as a TeraFlex Preferred Dealer. I also acknowledge that ALL first orders are placed on a COD or prepaid basis. Dealers that place buy-in orders can request open terms after their buy-in order. Upon that request, credit will be processed, but only for dealers in good standing.

Signed _____ Print Name _____ Date _____

