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2022

 **Partners in Profit**
DISTRIBUTOR PROGRAM



2022 Canada Partners In Profit

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2021 Canada Partners In Profit

DISTRIBUTOR PROGRAM

TENNANT COMPANY DISTRIBUTION VISION STATEMENT

To be the preferred industry partner by developing committed distributor partnerships, building unparalleled distributor programs, and creating innovative floor care solutions for best-in-class distributors.

2022 CANADA NOBLES PARTNERS IN PROFIT PROGRAM SUMMARY

The following is a summary of the 2022 Canada Nobles Partners in Profit program. Summarized in this document:

SUBJECT

- Successful Equipment Distributor Profile
- Distributor Tiers & Benefits
 - Rebates
 - Marketing Funds
 - Freight Program
- End User Reporting
- Distributor Selling Programs
- Pre-Owned Machines Recon Program
- Program Procedures & Policies
- Appendix

Complete detail on these programs can be found on My Account.



Note: Information in this document is confidential and intended for use solely by Tennant Company and distributor personnel authorized to possess it. If you are not authorized to possess this document please return it immediately to Tennant Company’s Legal Department at the address below:

Tennant Company
Attn: Legal Department
10400 Clean Street
Eden Prairie, MN 55344

SUCCESSFUL EQUIPMENT DISTRIBUTOR PROFILE



Many elements contribute to a successful distributorship and consistent equipment sales growth. Below is a table that highlights some of these key elements followed by a detailed description of each item.

SUCCESSFUL EQUIPMENT DISTRIBUTOR PROFILE

Equipment Demonstration Capabilities	Equipment Specialist(s) Dealer Service Representative(s) Demo Units Dedicated Vehicle & Trailer Training Maintain Consistent Inventory Assortment
Quarterly/Annual Planning & Target Account Development	Collaborate on Annual Business Plan Quarterly Business Plan Review Mutually Identifying Target Accounts & Develop Action Plans
Access to Key Distributor Personnel	Regular Collaboration with Key Departments
Parts & Consumables Sale	Achieve P&C Sales: 15-35% of Total Purchases
Service Capability	In-House Service Utilize Tennant Direct Service

EQUIPMENT DEMONSTRATION CAPABILITIES

- Employ Equipment Specialist(s) or Trained Distributor Sales Representative(s).
- Maintain an adequate demonstration inventory to perform hands-on demonstrations to potential prospects.
- Move equipment through a dedicated equipment trailer or through existing fleet vehicles.
- Commit to ongoing training with internal sales staff and building external educational training sessions with their customer base to create overall awareness about the importance of cleaning.

QUARTERLY/ANNUAL PLANNING & TARGET ACCOUNT DEVELOPMENT

- Distributor partners and Tennant Company mutually identify target accounts with a clear set of action plans including designated distributor representation and Tennant Company support with quarterly review.
- Develop action plans and milestone dates to ensure achievement of the desired results.
- Each year a local Tennant Company Commercial Market Manager (CMM) will collaborate with distributor partners to develop an annual business plan designed to grow our mutual business and maximize market share within the trade region. Annual business plans should be reviewed no less than quarterly, however, monthly reviews are desired to increase maximum plan effectiveness.

ACCESS TO KEY DISTRIBUTOR PERSONNEL

Successful distributor partners have an “open door” policy that allows for regular collaboration between Tennant Company and the distributor's management team, sales force, service department, procurement and all other working departments within the organization.

SUCCESSFUL EQUIPMENT DISTRIBUTOR PROFILE



PARTS & CONSUMABLES SALES

Proper service and maintenance of machines is critical for end user satisfaction. Utilizing Genuine TennantTrue® parts improves machine performance, maintenance and experience of end users. Tennant Company’s target goal for distributors is that 15-35% of your total Tennant annual purchases are generated from parts & consumables.

SERVICE CAPABILITIES

Tennant’s goal is to ensure our customers have access to quality service to maximize equipment performance. Our focus is on customer satisfaction, regardless of who delivers service. Contact your Tennant Commercial Market Manager to discuss service options.

DISTRIBUTOR TIERS & BENEFITS

Tennant Company’s Partners in Profit program delivers both financial and non-financial benefits for distributor partners. Distributor partners are classified into tiers based on their sales/service capabilities, achievements, and demonstration inventory.

DETERMINING DISTRIBUTOR TIER

Distributor tiers are evaluated annually on a point system. Earn points on your **Annual Revenue, two-year CAGR (Compound Annual Growth Rate), Product Mix, and Demo Inventory**. Below, you will find the points that you need to achieve each tier level.

Distributors can only move up one tier per year, even if the points system would place them higher, and may be placed in a lower tier if they do not exhibit the attributes outlined in the “Successful Equipment Distributor Profile” (pages 4-5).

DISTRIBUTOR TIER POINT SYSTEM

TIER	PLATINUM	GOLD	SILVER	BRONZE
Points NEEDED	>66	65-46	45-30	29-20

CRITERIA & POINTS EARNED

Annual Revenue	Points Earned	2yr CAGR	Points Earned	Demo Inventory Score	Points Earned
0 - \$99.9K	0	> 5%	3	0 - 2.99	0
\$100K - \$299.9K	12	0 to 5%	0	3 - 9.99	6
\$300K - \$749.9K	24	0 to -9.99%	-3	10 - 16.9	12
\$750K - \$1.499M	36	-10 to -19.99%	-6	> 17	18
\$1.5M+	48	> -20%	-9		

*See page 6 for eligible Demo Inventory product categories

Equipment & P&C % of Spend Mix				
High End Mix Ranges		Points Earned	Low End Mix Ranges	
Equipment	P&C		Equipment	P&C
95%-100%	0- 4.99%	0 Points	0-45%	55%-100%
94.99%-90%	5%-9.99%	6 Points	44.99%-55%	54.99%-45%
89.99%-85%	10%-14.99%	12 Points	54.99%-64.99%	44.99%-34.99%
84.99%-65%	15%-35%	18 Points	65%-85%	35%-15%

DISTRIBUTOR TIERS & BENEFITS



DEMO INVENTORY – Score Is Earned On The Following Product Categories -

Product Category	Score
1+ New Battery Product Launches (Pre-Order)	6
Scrubber Models (Earn 0-8 Points - Based On # Of Models)	
Robotic Floor Scrubbers	8
▪ > 4 Scrubber Models	6
▪ 3 Scrubber Models	3
▪ 2 Scrubber Models	1
▪ < 1 Scrubber Models	0
2+ Burnisher/Floor Machine Models	2
2+ Carpet Extractor Models	1
1+ Sweeper Models	1
1+ Vacuum Models	0.5
1+ Specialty Models	0.5



DISTRIBUTOR TIER BENEFITS

The Partners In Profit program offers a collection of benefits that are based on the tier achieved.

Benefits include but are not limited to: **Pricing Discounts, Rebates, The Freight Program, and Account Management.** Please access MyAccount OR reference your Price Book to view your specific pricing and any tier specific benefits.

ANNUAL GROWTH REBATE

Objective: Drive year-over-year growth.

Eligibility: Platinum, Gold or Silver tier distributors are eligible to receive this rebate. Qualifying volume is defined as standard commercial distributor offerings and pre-owned commercial recon inventory. Tennant industrial machines and Tennant coatings products (Qualifying Rebatable Volumes) are excluded. Bronze distributors are not eligible for the growth rebate

Rebate Detail

Based on the growth of qualifying 2021 volume purchases (January 1, 2021 - December 31, 2021) over 2020 final eligible qualifying volume purchases.

Rebate Amount

To calculate the Annual Growth Rebate amount, multiply qualified 2021 total volume purchased by the rebate percent.

TIER	PLATINUM	GOLD	SILVER
100-103.99%	3%	1.5%	1%
104-107.99%	4%	2.5%	1.5%
108-111.99%	5%	3.5%	2%
112-115.99%	6%	4.5%	3%
116%+	7%	5.5%	4%

**Rebate is paid in the form of a credit memo within 60 days of calendar end.*

DISTRIBUTOR TIERS & BENEFITS



MARKETING FUNDS

Objective: Drive incremental growth through partner marketing efforts to drive awareness, preference, and purchase of Nobles equipment.

Eligibility: Platinum, Gold, and Silver tier distributors

Fund Amount

All qualifying distributors will be given a 2022 Marketing Fund budget based on their 2021 qualifying rebatable volume. For distributors with less than 12 months of purchase history, contact your CMM to discuss options.

TIER	PLATINUM	GOLD	SILVER
Marketing Funds	2%	2%	1%

Timing

Funds can be spent any time from January 1, 2022 to December 31, 2022. The maximum payout per quarter is 25% of the total Marketing Fund. Unused funds will not carry-over to the next year.

Funds can be applied up to 100% for any of the below activities, unless otherwise noted.



Eligible Activities

- Nobles Promotional Items
- Customer Promotions
- Catalogs
- Events/Trade Shows
- Sales Incentives/Tennant Edge Promotions
- Training at a Tennant Company Facility
- Demo and Discontinued Inventory (Limit: 20% of total fund)
- All other activity requests need to be approved in advance and in writing by Commercial Market Manager

MARKETING FUND REIMBURSEMENT PROCEDURES

- 3rd party invoices for marketing activity dated between January 1st and November 30th must be submitted within **45 days** of invoice date.
- 3rd party invoices for marketing activity dated between December 1st and December 31st must be submitted no later than **January 15th** of the following year.
- Customer events and trade shows require attendance of Tennant Company personnel.
- Tennant Company management has final approval of all marketing fund reimbursement requests. All requests must be submitted with required documentation.
- Rebate is paid in the form of a credit memo within one month of the approved request for marketing funds.

DISTRIBUTOR TIERS & BENEFITS



FREIGHT PROGRAM

Machine shipments from Tennant Company are FOB origin. Distributor partners enjoy no charge for freight on any equipment orders \$5,000 or more. Excludes Recon.

END USER REPORTING

Tennant Company is investing in our commercial market and is committed to growing our business through our distributor partners. End user sales information is key to our future mutual growth.

Data Usage:

Tennant leverages end user reporting data for the following purposes:

- Machine Safety Notifications
- Warranty Registration
- Distribution Demand Generation
- Market Analysis
- Compensation of Tennant Company Sales Team



Data Requirements: The following data is required for all new sales of Tennant Equipment.

Required

- Distributor Customer Number
- Distributor Name
- Distributor Invoice Date
- Distributor Invoice Number
- End User Company Name
- End User Street Address (P.O.BOX NOT Accepted)
- Tennant Model Number (with Serial Number)
- Vertical Market if Healthcare or BSC

Helpful

- End User Phone Number
- End User Contact Name
- End User Vertical Market other than Healthcare and BSC
- End User Email Address

Data Delivery

Due Date: The 15th day of the following month

Tools: A Microsoft Excel template will be provided to upload via My Account

Note: Platinum, Gold and Silver distributor partners who regularly fail to submit end user sales tier information in the requested format and in a timely manner will result in a 25% forfeiture of the annual growth rebate. Ongoing non-compliance may result in additional forfeitures or corrective obligations.

DISTRIBUTOR SELLING PROGRAMS

INDUSTRIAL ACCELERATED LEADSHARE PROGRAM

Objective: To enhance relationships with end users and Tennant Company's Industrial Account Managers, Tennant Company offers the Industrial Accelerated Leadshare programs for all Canadian distributor partners. This program will help drive opportunities through activities essential for mutual growth.

DISTRIBUTOR SELLING PROGRAMS



INDUSTRIAL ACCELERATED LEADSHARE PROGRAM (Continued)

Eligibility: for this program begins with the distributor partner registering a new industrial sales opportunity with their local CMM to become the “Pioneering Distributor.”

- A new industrial sales opportunity is defined as one that a Tennant Company Industrial Account Manager has not yet quoted or prospected in the past 12 months or sold an industrial or crossover machine in the past five years.
- CMM will then introduce our assigned Industrial Account Manager (AM) to the distributor partner to provide expertise in determining the correct industrial machine for the end user’s needs.
- AM will facilitate all necessary actions to help make the opportunity a success.
- AM will quote and close order. The distributor partner will receive a payment of 5% of the net invoice.
- Industrial Leadshare sales are ineligible for volume against rebates or the marketing fund.
- Eligibility of this program is determined by local Tennant Company Area Director and the account must be in good standing. Industrial sales opportunity must close within 12 months.
- Program excludes any active Tennant Company National or Strategic Account.

TENNANT EDGE

TRAINING & CERTIFICATION & EQUIPMENT SALES REWARD PROGRAM

The new Tennant Edge is here and ready to take distributor sales representatives knowledge to the next level, while advancing your sales skills. They will receive the same great benefits from before, but now with even more improved and enhanced learning and earning opportunities.

Know more. Sell more. Earn more.

Knowledgeable distributor sales representatives and equipment specialists are more effective and successful sellers in a competitive market. For that reason, Tennant Edge has enhanced the program education opportunities with an improved Training & Certification process and content to equip them with the best and current knowledge; empowering them to sell more products. Plus they’ll continue to earn points for successfully selling equipment.

NOBLES PRE-OWNED MACHINES RECON PROGRAM

Standard Recon Discount Program

All Partners in Profit distributors are eligible to receive up to a 15% discount off Nobles advertised pre-owned inventory. Please visit www.tennantrecon.com for more information. Excluded from Freight Program. Only pre-owned commercial recon inventory is included in the annual growth rebate.

PROGRAM POLICIES & PROCEDURES



PAYMENT TERMS

Unless otherwise agreed upon in writing between the parties, Distributor shall make all payments in Canadian dollars by remitting payment to Tennant Sales and Service Company, P.O. Box 57172, Station "A", Toronto, Ontario M5W 5M5 by the thirtieth (30th) day after the date of the invoice, unless Tennant specifies, in writing, a different location to send remittances. Tennant reserves the right to revoke credit terms at any time upon delivery of written notice to Distributor. Any prepayment discounts taken but not earned will be subject to collection. *Please note: If payment is made by credit card, distributor will NOT receive the 2% discount.*

TIER	PLATINUM	GOLD	SILVER	BRONZE
Payment Terms	2% 15 Net 30	2% 10 Net 30	Net 30	Net 30

PIONEERING POLICY

Tennant's Pioneering Policy is designed to fairly compensate the distributor who invests time and resources in acquiring, developing and retaining key accounts. This policy is intended to encourage each distributor to maximize its pioneering efforts within its territory and discourage other distributors from free-riding on another distributor's pioneering activities. Tennant's goal is to make its products and technologies more competitive in the marketplace while supporting our distributors' value-added services through financial incentives. See Appendix for the detailed policy.

MINIMUM ADVERTISED PRICING POLICY

Tennant has made a significant investment in a consistent brand image, emphasizing its high quality, innovative technologies, and expert services that create unparalleled customer experiences. In keeping with this image and brand equity, Tennant believes that its products should be advertised online at prices that reflect the premium value of those products. This policy is designed to ensure that Tennant's online brand is consistent across all media both offline and online. See Appendix for the detailed policy.

TENNANT TRADEMARK AND DIGITAL CONTENT USE POLICY

Tennant has granted its partners the right to use trademarks, copyrighted content, images, and other digital assets to assist in promoting, marketing and distributing Tennant products. In order to ensure consistency, proper use, and the protection of the Tennant brand, the attached policy is intended to provide specific guidance on how to use those assets. See Appendix for the detailed policy.

CLOSED LOOP SALES POLICY

A Closed Loop Sale occurs when a distributor has an opportunity to sell to a customer location outside of its assigned Tennant territory, when that opportunity is driven by activity within the distributor's assigned territory.

Policy Administration

The Policies in the following Appendix shall be unilaterally administered and enforced by Tennant Company as a material obligation of Distributor. Tennant will monitor and investigate any allegation that a Distributor is in violation of a Policy in a manner it deems appropriate, in its sole discretion. It will not seek consultation with Distributor concerning a Policy, nor will it make any agreement (including prices at which product is sold) with a Distributor regarding a Policy. Tennant will not inform Distributor or any other party the details of an investigation, except as it considers necessary to notify a Distributor that a violation has occurred and to seek compliance with the terms of the Policy or to enforce its rights under the Distributor Agreement. Any failure by Tennant to require compliance with any provision of a Policy will not operate as a waiver to request strict compliance in the future.



PIONEERING POLICY

Tennant Company expects its distributor partners to pioneer opportunities for Tennant and Nobles branded products within their respective territories. Intra-territory conflict between distributors can create a “free-rider” problem: one distributor taking advantage of the money and effort expended by another distributor in marketing products and/or technologies to a specific customer.

Tennant’s Pioneering Policy is designed to fairly compensate the distributor who invests time and resources in acquiring, developing and retaining key accounts. This policy is intended to encourage each distributor to maximize its pioneering efforts within its Territory and to discourage other distributors from free-riding on another distributor’s pioneering activities. Tennant’s goal is to make its products and technologies more competitive in the marketplace while supporting our distributors’ value-added services through financial incentives.

“Pioneering” refers to a distributor’s direct marketing and promotion of Tennant or Nobles branded products to a specific customer, including activities such as site surveys, repeated sales calls, product education, equipment demonstrations, training and support. Pioneering does not include general marketing activity or general use of Tennant and Nobles trademarks and trade names. Pioneering is value-added marketing, promotion and sales activities, which Tennant recognizes through discounts to its distributors.

If a distributor pioneers a prospective customer in its Territory and such prospective customer subsequently, before the end of a year or a budget cycle, whichever is less, purchases equipment from a distributor that has not pioneered that customer, Tennant reserves the right to pay to the pioneering distributor an amount to be determined in Tennant’s sole discretion to compensate such distributor for its pioneering activities. Further, in such cases, Tennant reserves the right to offset the cost of such payment by one of several means—with respect to the equipment sold, rewarding the rebate volume to the pioneering distributor, adjusting the discount available to the non-pioneering distributor, or issuing a credit and rebill. Tennant is under no obligation to make any of the foregoing adjustments.

This policy does not apply to (i) Strategic Accounts, as designated by Tennant; (ii) a building service contractor’s sales to its subcontractors; (iii) sales made to help meet a customer’s small/disadvantaged supplier purchasing goals; or (iv) sales made directly by Tennant. This policy will be implemented by Tennant in a manner that Tennant deems appropriate to maximize the competitiveness of Tennant and Nobles products and technologies and the amount of pioneering activities. The policy will be administered pursuant to Tennant’s sole discretion. Tennant reserves the right to amend this policy at any time. Your Tennant Commercial Market Manager can answer any questions you may have on this policy.

ONLINE MINIMUM ADVERTISED PRICING (MAP) POLICY

Tennant is one of the premier providers of cleaning equipment and cleaning solutions in the world. It is making a significant investment in a consistent brand image, emphasizing its high quality, innovative technologies, and expert services that create unparalleled customer experiences. In keeping with this premium image and brand equity, Tennant believes that its products should be advertised online at prices that reflect the value of those products. This policy will help ensure that the online Tennant brand representation and customer experience are consistent with the reputation and high standards it has maintained offline.

SCOPE OF POLICY

This MAP policy applies to all online advertising and promotion of all Products covered by the Partners in Profit Distributor Program (“Products”). This includes, without limitation, placements on websites, social networks, banner ads, broadcast emails, landing pages, etc. This Policy applies to all online advertising by or on behalf of Distributors of Products in the United States and Canada.

ONLINE MINIMUM ADVERTISED PRICING (MAP) POLICY (Continued)

SCOPE OF POLICY

This policy applies only to advertised prices and does not apply to the price at which the products are actually sold to an end-user. All distributors remain free to sell Products at any price they choose.

This MAP Policy does not apply to non-internet sales or advertising (i.e. phone sales, negotiations in the field or at Distributor's place of business), or printed catalogs (not circulated digitally). Distributor remains free to sell or advertise through these means at any price.

Certain Products may be added or dropped from this Policy at Tennant's sole determination. Tennant will provide distributors with advance notice before a Product is dropped from the Policy and periodic updates listing Products NOT subject to this policy.

Tennant products not on the current price list or identified as "discontinued" shall not be subject to this policy.

Demonstration or showroom equipment is subject to this policy and must be advertised the same as other new machines. If demonstration or showroom machines are advertised with a serial number and hour meter reading, the phrase "demo discount available" or similar phrase may be used.

Used, pre-owned or reconditioned machines are not subject to this policy but must be clearly identified as a used machine with serial number and hours listed in the advertisement. Any machine where the distributor is not the original owner is considered used and must not be advertised as new or equivalent to new. Any content associated with the advertisement, such as photographs or descriptions, must be created and owned by Distributor.

ADVERTISING PRICES

Current list price (MSRP) is Minimum Advertised Price (MAP) on all models in current price list unless otherwise declared.

If a Distributor chooses to sell or advertise the sale of Products online, Distributor shall advertise at current list price (MAP) or at any price in excess of list price.

Promotional gift cards, instant rebates and other promotional activities that serve to effectively lower the advertised price below the MAP are not permitted when shown on the same page, email or banner ad as Products. Any statements or phrases that are misleading or arbitrary, or reduce advertised price below MAP (e.g., "10% off List Price", "price slashed", "blowout prices") are considered a violation of this Policy.

Distributors may include, on its Internet site, a statement that customers may contact Distributor directly to obtain a specific quote. However, if such a statement implies that doing so will result in a better price (such as "Click for better price", "Call for better price" or similar statement), it will be deemed in violation of this MAP Policy.

The 'shopping cart' or 'check out' price is not considered an advertised price.

The following actions by a Distributor will not be considered to decrease the effective advertised price of a product and therefore will not be considered violations of this Policy:

- Payment of applicable sales taxes
- Offering free shipping
- Providing free financing

ONLINE MINIMUM ADVERTISED PRICING (MAP) POLICY (Continued)

COMMUNICATIONS

Tennant will communicate with its distributors via My Account customer portal (extranet) concerning any change to this Policy which may occur from time to time. Tennant reserves the right, at its sole discretion, to modify, amend, suspend or cancel this Policy at any time without advance notice. Tennant also reserves the right to revise the applicable MAP under this Policy, at its discretion, at any time without advance notice.

VIOLATIONS

Non-compliance of the guidelines set forth in this Policy will result in penalties of increasing severity issued by Tennant as outlined below.

1st Violation

Distributor will receive a written warning of the violation. The distributor will be given a period of five (5) business days from date of the written notice to make the required changes to become compliant. If after five (5) business days from the date of the written notice, the Distributor is still not in compliance, it will be considered a 2nd violation.

2nd Violation (or failure to correct prior violation)

Distributor will receive a 2nd written warning of the violation and six (6) months of annual marketing fund, as identified in the respective Distributor's annual account plan, will be withdrawn.

3rd Violation (or failure to correct prior violation)

Distributor will receive a 3rd written warning of the violation and Tennant will require the removal of Tennant Intellectual Property from the Distributor's online sites within ten (10) days of being notified of this violation.

Subsequent

Distributor will receive a written notice of violation and lose access to any eligible rebates and promotional funds.

The penalties for non-compliance outlined above are in addition to, and do not replace, postpone or waive, any rights Tennant Company has under the Distributor Agreement. Compliance with this Policy is a material obligation of Distributor and non-compliance may result in your Distributor Agreement being reviewed for default, suspension, or termination.

Violations will be considered based on a rolling twenty-four (24) month time frame from the last violations

No Tennant employee or representative has the authority to modify or grant exceptions to this policy or have any communications with distributors regarding violations of this MAP policy. Tennant Company alone will implement, interpret and enforce this Policy in its own independent judgment.

TENNANT TRADEMARK AND DIGITAL CONTENT USE POLICY

Tennant has granted to its authorized distributors, in its distributor agreements, the right to use certain trademarks to assist in promoting, marketing and distributing Tennant and Nobles products. This Policy supplements the terms and conditions of the Distributor agreement with respect to using Tennant's trademarks, copyrighted content and other digital assets ("Tennant Intellectual Property"), and is intended to provide specific guidance on how to use those assets.

TENNANT TRADEMARK AND DIGITAL CONTENT USE POLICY (Continued)

USE IN GENERAL

All Tennant Intellectual Property is owned by Tennant and is to be used solely to promote products covered by the Partners in Profit program and other Tennant products, such as Tennant reconditioned machines and service (“Products”). Tennant Intellectual Property may not be used to promote the sale of any other products. This Policy covers the use of Tennant Intellectual Property in any format where it may visually appear, including but not limited to websites, social networks, printed materials, signs and vehicle logos.

USE OF DIGITAL CONTENT

Distributors may link to any portion of Tennant’s website for the purpose of promoting the Products. Distributors may also use pictures, documents or small portions of descriptive text such as product descriptions and specifications appearing in brochures for the purpose of promoting the Products. All pictures, text, video or other content is owned by Tennant or Tennant’s licensors and is subject to this Policy. To ensure quality and consistency, Distributors should obtain images from Tennant’s DigiTools portal whenever possible. Text from Tennant’s website should not be copied directly and used on Distributor’s website. Distributors may not replicate pages in whole or in part from Tennant’s websites, copy the color scheme or overall look and feel of Tennant’s websites, or copy large sections of text from Tennant’s websites, including framing, scraping or other forms of replicating a web page.

USE OF TRADEMARKS

Any use of Tennant’s trademarks should portray Tennant as the owner of the trademarks and the Distributor as an authorized distributor of Products. Use of Tennant’s trademarks on Distributor’s websites should not give the impression that Tennant owns or controls the site. Distributor should subordinate Tennant’s trademarks and logos to its own in size and placement to avoid this confusion. When using Tennant’s logos or trademarks, do not change colors or proportions, or use any prefix, suffix or abbreviations of the trademark.

UNACCEPTABLE USE

Tennant reserves the right at any time to notify a distributor that its use of Tennant Intellectual Property is unacceptable under this Policy. Distributor must promptly correct the use or stop using and remove from public view the material after Tennant notifies the distributor that it is unacceptable.

USE BY OTHERS

Only Tennant has the right to grant permission to use Tennant Intellectual Property. Distributors are not authorized to give permission to use Tennant Intellectual Property to any person or company. Distributor must refer any requests from third parties to use Tennant Intellectual Property to Tennant. If Distributors become aware of any possible unauthorized use of Tennant Intellectual Property they should notify Tennant promptly.

VIOLATIONS

Non-compliance of the guidelines set forth in this Policy will result in penalties of increasing severity issued by Tennant as outlined below.

1st Violation

Distributor will receive a written warning of the violation. The distributor will be given a period of five (5) business days from date of the written notice to make the required changes to become compliant. If after five (5) business days from the date of the written notice, the Distributor is still not in compliance, it will be considered a 2nd violation.

TENNANT TRADEMARK AND DIGITAL CONTENT USE POLICY (Continued)

2nd Violation (or failure to correct prior violation)

Distributor will receive a 2nd written warning of the violation and six (6) months of annual marketing fund, as identified in the respective Distributor's annual account plan, will be withdrawn.

3rd Violation (or failure to correct prior violation):

Distributor will receive a 3rd written warning of the violation and Tennant will require the removal of Tennant Intellectual Property from the Distributor's online sites within ten (10) days of being notified of this violation.

Subsequent:

Distributor will receive a written notice of violation and lose access to any eligible rebates and promotional funds.

The penalties for non-compliance outlined above are in addition to, and do not replace, postpone or waive, any rights Tennant Company has under the Distributor Agreement. Compliance with this Policy is a material obligation of Distributor and non-compliance may result in your Distributor Agreement being reviewed for default, suspension, or termination.

Violations will be considered based on a rolling twenty-four (24) month time frame from the last violations

No Tennant employee or representative has the authority to modify or grant exceptions to this policy or have any communications with distributors regarding this policy. Tennant Company alone will implement, interpret and enforce this Policy in its own independent judgment.

CLOSED LOOP SALES POLICY

A Closed Loop Sale occurs when a distributor has an opportunity to sell to a customer location outside of its assigned Tennant territory, when that opportunity is driven by activity within the distributor's assigned territory.

Program Goal: Create a way for your customers to buy the way they want to buy. We know customers' geographic footprints do not always match Tennant's territories, and we wish to enable you to still serve those customers by leveraging your key relationships.

Qualifying Sales: Sales outside of the distributor's territory must be driven by a sales activity within the assigned territory.

- Common examples would include:
- An existing customer opening a new location outside of the territory
- A customer headquartered within the territory that mandates centralized purchasing across the enterprise.

Guidelines:

- Closed loop sales are considered on a case by case basis, this policy does NOT authorize general sales activity outside of the assigned territory.
- Distributor Territory will not be expanded through acquisition, expansion, or any other means through this program.
- International transactions are NOT allowed.



CLOSED LOOP SALES POLICY (Continued)

Pioneering

If another Tennant distributor is driving the project locally, Pioneering policy will be enforced and no closed loop sale will be allowed.

- **Exception:** If the customer mandates a central buying function, pioneering will not apply as this is a customer choice. Tennant will not, however, enforce customer purchasing policies on their behalf.

Program Requirements:

1. Tennant CMM must be engaged and consulted prior to the sale to consider approval of the closed loop sale
2. CMM will approve the transaction if all criteria are met.
3. Distributor must provide customer information.
4. For installation, setup and initial support for the sale there are three options:
 - The originating distributor can execute directly
 - The originating distributor can hire Tennant Commercial Service to execute
 - The local Tennant Sales Team can execute

SCENARIO	SCENARIO A: DISTRIBUTOR EXECUTION	SCENARIO B: TENNANT/PARTNER EXECUTION
Selling	Distributor	
Cutomer Service	Distributor	Tennant
Machine Service	Distributor executes or Contracts to Tennant Service	Tennant Commercial Service
Billing	Distributor	
Onsite Install / Training / Support	Distributor executes or Contracts to Tennant Service	Tennant Local Team
Distributor Compensation	Full Compensation	