



Modern Industries, Inc

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 TEL. (814) 455-8061 Ext. 233 FAX (814) 453-4382
 Web Site: www.mpwer.com



DISTRIBUTOR CLASSIFICATIONS & DISCOUNT POLICIES

January 2008

CLASSIFICATIONS

Machine Tool Builder (OEM)

Builders (OEM) ---- manufacturers or direct (exclusive) importers of new equipment, or rebuilders who sell mPower products as accessories on their machine tools, and who service their customers who are users of mPower products.

Machine Tool Builder – Partner Program (OEM- PRT) ---- builders who actively promote mPower products on their machine tools as outlined in the OEM – PRT Program Policies.

Machine Tool Distributor (MTD)

Distributors(MTD) --- retailers of new equipment who sell mPower products as accessories to their machine tools, and who service their customers who are users of mPower products.

Machine Tool Distributor – Partner Program (MTD-PRT) --- Distributors of new equipment who actively promote mPower Products on their machine tools as outlined in the MID – Partner Program Policies.

Industrial Distributors(DIS)

Full Service Distributor (DIS-FS) --- An industrial supply/cutting tool distributor with the technical capability and product focus to effectively promote mPower Products and provide after sales support to end user accounts. Refer to the Full Service Dealer Policies for an outline of the criteria an industrial distributor must meet in order to qualify as a Full Service Dealer.

Distributor / Reseller (DIS) --- An industrial distributor who acts as a buying agent for an end user account. A reseller performs limited sales and technical support, and normally does not process leads. This category includes integrated suppliers and industrial distributors who do not qualify as Full Service Distributors.

DISCOUNT SCHEDULES

Classification	Sales Fee	SpeedLoc Discount	SpinLoc, ModLoc, and Fixture/Sub-Plates Discount	Required Annual Sales \$
OEM	15%	20%	15%	N/A
OEM-PRT	10%	30%	20%	N/A
MTD	15%	20%	15%	N/A
MTD-PRT	10%	30%	20%	N/A
DIS-FS-Level 1	10%	30%	20%	\$50,000*
DIS-FS-Level 2	10%	25%	20%	\$20,000*
DIS-FS-Level 3	10%	20%	15%	N/A
DIS	15%	15%	10%	N/A
Direct Sale	20%	0%	5% max.	N/A

* In lieu of minimum sales, must stock at least \$5,000 more than the next lower level min. sales.



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FULL SERVICE DEALER POLICIES (DIS-FS)

January 2008

QUALIFICATIONS

A distributor of machine tool accessories, cutting tools, and/or other industrial products, who has a good working knowledge of milling, turning, general machine tool applications and especially workholding principles, qualifies as a potential mPower Full Service Dealer (DIS-FS).

To become a DIS-FS for mPower products, the distributor must have first hand experience in the sale of workholding products. He must be able to analyze and understand a customer's requirements for specific machine applications, and must have a good credit history. The distributor must also agree to follow up sales leads submitted by mPower, and respond to any sales report requests.

RESPONSIBILITIES

The DIS-FS will promote mPower workholding products to their customer base, and follow up sales leads provided by Modern Industries. The DIS-FS will also promote mPower products at trade shows in which the DIS-FS exhibits, and will display mPower products at open houses they conduct. Additionally, the DIS-FS will provide mPower with up-to-date mailing lists of sales and applications personnel who would benefit from periodic mailings including product updates, application newsletters, etc.

SUPPORT

Modern Industries will provide the DIS-FS with product literature and sales support in the form of a factory representative who will visit the DIS-FS periodically to conduct technical product training. The factory representative will also be available to assist the DIS-FS in making end user sales calls and following up inquiries that require technical assistance. Modern will provide the dealer with quotations for special engineered workholding solutions for specific customer applications upon request.

DISCOUNTS

The DIS-FS discount on SpeedLoc products is 20% and 15% for ModLoc, SpinLoc, and custom engineered business. To maintain the status of a Full Service Dealer (DIS-FS), an annual sales volume of \$20,000 is required. (Annual sales volume is defined as the net billing by MPower to the dealer.) Discounts for DIS-FSs who do not maintain the minimum sales volume may be adjusted to 15% in the following year or reclassified as a Distributor/Reseller (DIS). A DIS-FS that initiates a stocking order of any level plus \$5,000 will automatically obtain the next greater discount structure.

DIS-FSs whose annual sales volume is over \$50,000 will receive a 25% to 30% discount. Regular review will be conducted to determine discount adjustments.

Special engineered products are quoted with a 15% to 20% discount to the DIS-FS.



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MACHINE TOOL DISTRIBUTOR – PARTNER PROGRAM (PRT)

January 2008

QUALIFICATION

A machine tool distributor, who sells new Vertical or Horizontal Machining Centers, is eligible to become a mPower Partner.

BENEFITS

As an mPower Partner, a machine tool distributor will receive maximum discounts for the applicable product lines with the opportunity for additional discounts through goal achievement programs. Modern will provide on-site applications and sales training and will have assigned sales engineers available to make end user sales calls, if required.

mPower's engineering proposal department will be available to review part prints, propose the best workholding solutions, send quotations and outline drawings, and deliver guaranteed workholding accessories. In addition, mPower will perform installations, if requested.

RESPONSIBILITIES

The distributor partner agrees to promote mPower products at trade shows and open houses and to provide mPower with up-to-date mailing lists of employees who will benefit from monthly application newsletters. The distributor agrees to organize annual training meetings at the distributor's facility conducted by mPower personnel, if the need is identified. The distributor also agrees to develop a yearly forecast with mPower personnel.

DISCOUNTS

The MTD-PRT discount on SpeedLoc products is 30% and 20% for ModLoc, SpinLoc, and custom engineered business.



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MACHINE TOOL BUILDER - PARTNER PROGRAM (OEM-PRT)

January 2008

QUALIFICATION

A builder or importer of Vertical or Horizontal machining centers, turning, grinding or other special purpose machine tools is eligible to become a mPower Machine Tool Builder Partner (OEM-PRT).

BENEFITS

As a mPower OEM-PRT, a machine tool builder will receive maximum discounts for all product lines. mPower will provide on-site applications and sales training and will have assigned sales engineers available to make end user sales calls, if required.

mPower's complete engineering proposal department will be available to review part prints, propose the best workholding solutions, send quotations and outline drawings, and deliver guaranteed workholding accessories. In addition, mPower will perform installations, if requested.

RESPONSIBILITIES

The OEM-PRT agrees to include mPower workholding products in their machine accessory price list. The OEM-PRT will also promote mPower products at trade shows in which they exhibit, and will display mPower products at open houses they conduct. Additionally, the OEM -PRT will provide mPower with up-to-date mailing lists of sales and applications personnel who would benefit from periodic mailings including product updates, application newsletters, etc.

The OEM-PRT must agree to organize annual training meetings at the builder's facility to be conducted by a mPower factory representative, as the need is identified.

DISCOUNTS

The OEM-PRT discount on SpeedLoc products is 30%. ModLoc, SpinLoc and special engineered products are quoted with a 20% discount to the OEM-PRT.



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MACHINE TOOL BUILDER POLICIES (OEM)

January 2008

QUALIFICATION

A builder or importer of Vertical or Horizontal Machining Centers, turning, grinding, or other special purpose machine tools qualifies as an OEM account.

RESPONSIBILITIES

The OEM will primarily sell mPower workholding products as an accessory for the machine tools they produce. Inquiries for mPower products will generally be initiated by the end user, however, the OEM will be encouraged to promote mPower products on their machine proposals. The OEM will also be asked to provide mPower with up-to-date mailing lists of sales and applications personnel who would benefit from periodic mailings including product updates, application newsletters, etc.

SUPPORT

mPower will provide the OEM with product literature and sales support in the form of a factory representative who will be available to visit the OEM periodically to conduct technical product training. The factory representative will also be available to assist the OEM in making end user sales calls and following up inquiries that require technical assistance. mPower will provide the OEM quotations for special engineered workholding solutions for specific customer applications upon request.

DISCOUNTS

The OEM discount on SpeedLoc products is 20% and 15% on ModLoc and Spin



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MACHINE TOOL DISTRIBUTOR POLICIES (MTD)

January 2008

QUALIFICATION

A distributor who sells new Horizontal or Vertical Machining centers, turning, grinding, or other special purpose machine tools is eligible to become a mPower Machine Tool Distributor (MTD).

RESPONSIBILITIES

The MTD will primarily sell mPower workholding products as an accessory for the machine tools they promote. Inquiries for mPower products will generally be initiated by the end user, however, the MTD will be encouraged to promote mPower products on their machine proposals. The MTD will also be asked to provide mPower with up-to-date mailing lists of sales and applications personnel who would benefit from periodic mailings including product updates, application newsletters, etc.

SUPPORT

mPower will provide the MTD with product literature and sales support in the form of a factory representative who will be available to visit the MTD periodically to conduct technical product training. The factory representative will also be available to assist the MTD in making end user sales calls and following up inquiries that require technical assistance. mPower will provide the MTD quotations for special engineered workholding solutions for specific customer applications upon request.

DISCOUNTS

The MTD discount on all products is 15%.