



Redcat Racing Dealer Program

The following is the revised dealer program that will start on May 22, 2008

First Purchase Minimum

All dealers are required to purchase at least 3 vehicles and \$100 of parts on your first order.

Monthly Purchase Minimum

There is no monthly minimum purchase, but if no purchases have been made for a consecutive 60 day period, your account may become inactive. You will need to contact Redcat to reopen your account if this occurs.

MAP (Minimum Advertised Price) Revised May 22nd, 2008

Map pricing on Redcat branded products must be followed. Dealers can advertise Redcat branded products as long as the selling price follows the rules below.

All Nitro & Electric Vehicles sold on your own website – The MAP pricing is MSRP minus 20%

All Nitro & Electric Vehicles sold on non owned websites, auction sites, trading sites etc – The MAP pricing is MSRP minus 15%

All Gas Powered 1/5 scale vehicles on any site – MAP pricing is MSRP minus 10%

Advertising the Redcat Brand

Dealers can advertise Redcat Racing products on their own websites, auction sites, trading sites, print advertisements and other places. Dealers must follow the MAP pricing guidelines above with no exceptions. Dealers that are found breaking the MAP pricing guidelines risk losing their buying privileges.

Selling on your own website

Dealers can sell any Redcat product on their own website as long as the above MAP guidelines are met. MAP pricing is set at 20% below MSRP on nitro and electric vehicles and 10% below MSRP on the 1/5 scale vehicles. For example; If a nitro vehicle is priced at \$199.99 on the Redcat Racing website a dealer cannot list that product for sale for less than \$159.99. A dealer is permitted to offer free shipping or other free items with this pricing BUT the price of the vehicle must not be listed for less than 20% on nitro & electric vehicles and 10% on the 1/5 scales.

Selling on auction sites, trade sites or other non owned websites

Dealers can sell any Redcat product on auction sites, trade sites or other non owned websites as long as the above MAP guidelines are met. MAP pricing for these sites is set at 15% below MSRP on nitro and electric vehicles and 10% below MSRP on the 1/5 scale vehicles. For example; If a nitro vehicle is priced at \$199.99 on the Redcat Racing website a dealer cannot list that product for sale for less than \$169.99. A dealer is permitted to offer free shipping or other free items with this pricing BUT the price of the vehicle must not be listed for less than 15% on nitro & electric vehicles and 10% on the 1/5 scales.

Specific Auction Site Guidelines:

1. You can sell on auctions and stores at Buy it Now price for at least the MAP price.
2. You can list an auction starting below the MAP price as a traditional auction but if you put a reserve on the auction it must be at least the MAP price.
3. You can list items at the MAP price and include shipping or other items at no charge but the vehicle must be listed at least at MAP.
4. Closeout products can be listed below MAP pricing. All closeout products are identified on the Redcat Racing dealer page.

Warranty & Dealer Duties

Redcat offers a warranty directly to the end user and all information regarding the warranty can be found by clicking the following link: <http://www.redcatracing.com/warranty.asp>

It is the dealer's duty to handle support for the product and help troubleshoot any questions or problems the customer may have. Redcat does not handle end user support directly but Redcat will handle warranty issues using the Redcat warranty form.

Shipping Damage - If a product is found to be broken during shipping, you must send pictures to nick@redcatracing.com The vehicle must be brand new and un-used; therefore a few pictures must be taken of the product along with the actual damage that was caused. Redcat will then determine if it is covered. No shipping damage claims will be handled without images.

Manufacturing defects – If a product is found to have a manufacturing defect you should email nick@redcatracing.com with an explanation of the problem, which clearly explains the problem and you must enclose images. Manufacturing defects are handled on a case-by-case basis and no guarantees are made in regards to swapping parts. The reason this policy is strict is because many end users are not familiar with RC Cars and improperly run the car without break-in or crash the car and blame it on a manufacturer defect. Your policy should be very strict in regards to this, as Redcat only very rarely will swap parts due to a claimed manufacturer defect.

End user engine replacement program – Redcat started an End User engine replacement program which can be found here www.redcatracing.com/engineprogram.asp. This program is setup for the End User and we will handle this warranty directly with the customer. It is a good idea to use this in your marketing. We do not handle this warranty directly with the dealer. Your customers only need to follow the information in the link above to handle the engine replacement program.

Redcat Racing does NOT handle END USER support for YOUR sales. You must handle all questions first and point the customer to the correct online form if you find it is a valid warranty claim. Redcat will handle the warranty claims directly with your customer.

Redcat Racing Marketing

Redcat Racing's marketing plan (including online auctions): From time to time Redcat Racing will sell items in online auctions or at reduced prices to end users on our website. This includes closeout items, returned items or overstocked inventory items. Redcat attempts to offer this product to dealers first and if these items are not sold, they could be sold in other ways as listed above.

Discontinued Programs

Earn a commission for signing up Redcat dealers: We are no longer offering this, but any dealer that currently is earning commissions will continue to be part of the program.

Rebates Based on volume

This program will end on June 30, 2008. All rebates earned for the April-May-June quarter will be paid if you have met the goals to earn a rebates. Rebates are paid to dealers that purchased at least \$5,000 at the listed dealer price for April, May & June of 2008.

If you have any questions regarding the dealer program please email darin@redcatracing.com

We thank you for your support.