



## RESELLER ADVERTISING AND SALE OF S&S® ENGINE PRODUCTS ON OR THROUGH THE INTERNET POLICY

### I. Purpose

To set forth the policy and guidelines on sales and promotion of S&S branded products and services by Resellers through the Internet (the "Reseller Policy") while protecting the intellectual property of S&S Cycle, Incorporated ("S&S"), maintaining a strong S&S distribution channel, encouraging safe and appropriate use of S&S Engine Products, and ensuring customer satisfaction.

### II. Scope

This policy applies to all Resellers worldwide. This policy pertains to all S&S Engine Products. Items exempt from this policy are limited to the following: Apparel and accessory items, literature, promotional items, motor oil, oil filters, air filters, air cleaner kits, mufflers and exhaust, ignition coils, shop supplies, and tools.

### III. Definitions

- A. Internet: The global information network that includes all systems utilizing Internet protocols. This includes but is not limited to the World Wide Web, e-mail, RSS, ATOM, IRC and instant messaging. Notwithstanding the foregoing, this term shall not include an Intranet or Voice over Internet Protocol (sometimes referred to as VoIP)
- B. Intranet: Any private network created, used and maintained inside S&S or a Distributor using software like that used on the Internet, but for internal use only within the company, including for communication with Resellers, and not accessible by the public.
- C. Distributors: Those distributors which have executed a Distributor Agreement with S&S, or otherwise act as a distributor of S&S Engine Products.
- D. Dealers: Businesses that obtain S&S Engine Products from S&S or its Distributors which are authorized by Distributors or S&S to sell and service S&S Engine Products. Dealers are identified by an S&S or Distributor dealer number.
- E. Resellers: Distributors and Dealers.
- F. S&S Engine Products: All products manufactured or supplied by S&S, except items listed as exempt in Section II above.

### IV. Policy Statement

This Policy protects S&S customers, its brands and its Resellers. The objective is to establish a program that leads customers to the appropriate Reseller to obtain proper product selection, sales, installation and aftermarket support. As such, there are several broad policy guidelines:

- A. Resellers may not solicit or accept orders for any S&S Engine Products on or through the Internet.
- B. Notwithstanding this prohibition, a Reseller may:
  - 1. Advertise in general terms on the Internet that S&S Engine Products are available from the Reseller. Any such advertisement must instruct the reader to call the Reseller for specific S&S Engine Product details. Reseller may advertise the MSRP of any S&S Engine Product on the Internet.
  - 2. Advertise on the Internet that it is a Distributor or Dealer of S&S Engine Products and in such advertisement the Reseller may use S&S "Marks" such as the trademark or trade name, "S&S®", "S&S® Cycle, Inc.", "Sidewinder®", "Proven Performance®" and "Super Stock®", but only in the form, wording and content authorized by S&S.
- C. THE RETAIL PRICE A RESELLER ACTUALLY CHARGES ITS CUSTOMER AND THE METHOD OF COMPUTING SAME ARE AT THE SOLE DISCRETION OF THE INDIVIDUAL RESELLER.

### V. Reference

- A. S&S reserves all rights in its trademarks, trade names and other intellectual property.
- B. Samples of authorized uses of S&S trademarks are available from S&S. S&S will provide samples to Resellers at no charge upon reasonable request.
- C. S&S may from time to time in its sole and absolute discretion change the form and content of the approved use of its trademarks, including adding new form and content and revoking approval of previously approved form and content. Reseller agrees to implement all changes in this regard within a reasonable time after receiving notification of the same from S&S.

### VI. Prohibited Internet Tactics and Practices

Given the realities of a multi-channel marketplace, S&S distribution agreements and the worldwide reach of the Internet, certain online marketing tactics and practices by individual Resellers must be limited or prohibited.

#### A. Search Engine Keywords

Resellers shall not purchase or register search engine keywords, search terms or other identifying terms that include any trademarks, trade names, copyrighted materials, names, brand products, or any other assets owned by S&S, or any variations or deliberate misspellings thereof, for use in any search engine, portal, sponsored advertising service or other search or referral service.

B. Spam

Under no circumstances shall Resellers send commercial electronic mail messages as defined in the Federal spam law, the CAN-SPAM Act of 2003, with respect to S&S Engine Products that in any way indicate or imply that the message is from or endorsed by S&S.

C. Domain Names

Resellers are prohibited from registering or using Internet domain names containing any trademarks, trade names, copyrighted materials, names, brand products, or any other assets owned by S&S, or for any variations or deliberate misspellings thereof.

Any Reseller that is in possession of such domain names shall be required to stop usage of the domain name, and transfer ownership to S&S.

D. Affiliate Programs

Resellers shall not sell S&S Engine Products via any relationship where another entity receives commission, placement fees, finder's fees or referral fees or other compensation for promoting or selling S&S Engine Products on the Internet. This includes but is not limited to auction, classified advertising or broker sites, Internet malls, storefronts or catalog sites.

E. Misleading Communications

Resellers are prohibited from using misleading advertising or any other public statement to misrepresent their status with S&S. This includes, but is not limited to, the following words used in conjunction with any trademarks, trade names or copyrighted materials: "authorized," "center," "certified," "direct from the factory," "exclusive," "factory," "factory outlet," or "official," or any other words that may mislead consumers.

## VII. Modifications

S&S reserves the right at any time to modify or cancel the terms of this Reseller Policy without advance notice.

## VIII. IRP Enforcement Procedures

S&S has included its IRP Enforcement Procedures to ensure all dealers signing the "acknowledgment" page are aware of the severity in which S&S will deal with violators of this policy.

A. First Offense

1. A member of the S&S Customer Support Team will contact the violator via e-mail, telephone or letter and remind them of the Policy and identify the nature of the violation.
2. A copy of the Policy will be sent to the violator and they will be required to sign and return the signature page acknowledging the violation and their willingness to conform.
3. The violator will be given 10 working days to conform to the Policy and cure the violation.
4. A permanent record of this process will be documented in an S&S internal file for future reference.

Non compliance within the 10 working day cure period will result in 6 month suspension period with S&S and its Distributors in which no S&S product may be sold to the violator by S&S or its Distributors. (Distributors are required by their Distributor Agreement to follow the enforcement procedure of this Policy.) Anyone found to be supplying a violator during their probationary period will be subject to the same suspension as the original offender.

B. Second Offense

1. A member of the S&S Customer Support Team will contact the violator via e-mail, telephone or letter and again remind them of the Policy and identify the nature of the violation.
2. The violator will be reminded of their previous offense and a copy of the signed conformance page will be forwarded to them.
3. The violator will then be placed on another 6 month suspension period in which they will be unable to obtain S&S product from S&S or its Distributors under the same terms stated above in Section I.
4. At the end of the 6 month suspension period, S&S will make a determination as to whether the suspension will be continued for another 6 months. If the suspension is continued, it will be reviewed by S&S at the end of each 6 month period and either continued or terminated.

C. Third Offense

1. Anyone found to be violating the Policy a third time will be permanently banned from purchasing S&S products from S&S and its Distributor network.
2. This permanent suspension will apply to the entity violating the Policy as well as to the owners and or operators of the violator. (For example, closing and re-opening the operation under a new name would not lift the ban).
3. Anyone found to be supplying a violator after a permanent ban is in place under this Section III will be subject to a permanent ban.

Any determinations by S&S under these enforcement procedures shall be binding upon the violator. It is the intention of S&S to update and educate the industry on the enforcement of our Policy in the hopes that we work jointly towards the goal of zero violators. S&S does not wish to create any confusion among its dealers and or customers, regardless of their direct status with us. It is also the desire of S&S to have the policy and its enforcement procedures relayed through its Dealers and Distributors worldwide to customers that do not do direct business with S&S. These activities will further educate S&S customers at every level enhancing the ability of the consumer to interact with the dealerships at the level of technical expertise needed in identifying, selling, installing and servicing the S&S product line in the field.



**INTERNET RESELLER POLICY & ENFORCEMENT PROCEDURES ACKNOWLEDGEMENT/NEW DEALER AGREEMENT**

I have read & understand the S&S® Internet Reseller Policy and its Enforcement Procedures and agree to all the terms and conditions. I understand that to violate the Internet Reseller Policy may result in permanent loss of my authorized dealer status with S&S Cycle, Inc. I also acknowledge that to maintain my “Standard Dealer” status with S&S Cycle, Inc. I must agree to purchase no less than \$1,250.00 annually and in addition, must successfully validate and complete the three “Distance Learning” courses to be considered an “Authorized Dealer”. S&S Cycle, Inc. reserves the right to terminate inactive dealer accounts upon review.

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Signature

Date

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Print Name

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Dealer ID Number

**PLEASE FORWARD THIS TO:**

*Dean Young II  
Dealer Development  
P 608-627-0227  
F 608-627-1488  
dyoung@sscycle.com*

