

Echappé Equipment Representative Affiliate Program

Échappé Equipment is a successfully established niche business in the cycling and triathlon community specializing in race wheel rental. The company has continued to gain recognition around the United States and abroad with rentals that include professional athletes and current Elite National Champions. As Echappé grows, we want to be able to emphasize our valuable face-to-face interactions with customers wherever we are. Additionally, we value the ability to talk with local bike shops for our affiliate programs with them, rather than email or phone.

Further Benefits: Marketing

You're not alone in getting sales when you're a Representative with Echappé. Currently, Échappé runs monthly ads in Cyclocross Magazine, VeloNews, Facebook, Google, Yahoo!, AOL Search and NYVelocity.com. We are in the process of increasing our ad runs to Inside Triathlon and Slowtwitch. With these marketing tools, we are already driving 1000 people per week to our site and generating enough sales to warrant the need for this letter.

Basic Participation, \$100/month

Basic Participation is simply stating that you are an "Official Echappé Representative". Specifically, you are our voice in your local cycling and triathlon community and our face to your region's bike shops. Compensation for our reps is thorough, yet simple.

Specific Terms:

- 1) 35% commission on referral rentals and sales that you create. This includes eCommerce sales through racewheelrental.com as well as your own cash and paper credit card transactions.
- 2) 35% commission on rentals and sales of inventory you hold.
- 3) 2-day commission on Comprehensive Rentals to affiliate shops. See our pricing list for specific details.
- 4) No obligation to hold products on a per month basis.
- 5) Representatives rent equipment on thirty (30) day rolling periods at the customer's 5-day rental price.
- 6) This is a month-to-month position and Echappé will issue a 1099 to you.
- 7) Echappé will provide you with appropriate marketing materials that include, but are not limited to: stickers, brochures, t-shirts, banners.
- 8) Echappé will provide you with brake pads for complete rentals to take place on-site. The sale of brake pads is included in the commission sale price.
- 9) Echappé covers shipping of wheels to the Rep each month, though are still subject to our modest processing fees.

Limitations to the Basic Participation:

- 1) Commissions do not include the "Crash Insurance Fee". Echappé does not keep this and therefore cannot be part of your commission.
- 2) Brake pads are final sales. Therefore, the commission is of the profit margin on the items, not of the cash received.

These outlines are guidelines for you to conduct rentals and small sales as an Echappé Representative. Some representatives have used the basic participation solely to rent wheels to Comprehensive Affiliate Shops and have their fee deducted from their commission. Your monthly fee can be paid upfront or taken out of your previous month's commissions. Commissions to you, paid from Echappé, are paid at the end of each calendar month.

Comprehensive Participation: \$500/month

The guidelines for the Comprehensive Affiliate program are listed below:

- 1) 35% commission on referral rentals. This includes eCommerce sales through racewheelrental.com.

- 2) 100% commissions on rentals of wheelsets you hold.
- 3) 50% commissions on sales of wheelsets and small goods (helmets, clip-ons, brake pads, embrocation, food) you hold.
- 4) 3-day commission on Comprehensive Rentals to affiliate shops. See our pricing list for specific details.
- 5) Representatives rent equipment on thirty (30) day rolling periods at the customer's 6-day rental price.
- 6) You are obligated to rent a minimum of two (2) products on a per month basis.
- 7) A three (3) month minimum commitment is required for this level of participation. A 1099 will be issued to you by Echappé.
- 8) Echappé will provide you with appropriate marketing materials that include, but are not limited to: stickers, brochures, t-shirts, banners.
- 9) Echappé will provide you with brake pads for complete rentals to take place on-site. The sale of brake pads is included in the commission sale price.
- 10) Echappé covers shipping of wheels to the Rep each month.

Additional Guidelines for Comprehensive Participation:

- 1) All of Échappé's products are organized into pricing levels termed "Stages". Reps rent items for 30 days from each stage at the 10-day customer price. Reps are allowed to switch a wheelset once per month but only within each staging. If a Rep wants to change to a different "stage" of pricing they are required to pay the difference as well as shipping cost.
- 2) If a used wheelset is sold, Échappé receives the cost paid for the wheel. This can be either at the time of sale or at the end of the thirty (30) day rental period
- 3) If a wheel is not returned and the rental has not been renewed, the rep will be billed for Échappé's cost of the wheel.
- 4) Rental fees by the shop do not depreciate the final sale payment made to Échappé.
- 5) Cassettes can be rented for \$25/month.
- 6) If a customer wants a wheelset listed on the Échappé website, but the rep does not have the product in stock:
 - a. The rep must place the order with Échappé by phone or email to receive credit.
 - b. Échappé charges a \$35 handling fee as well as ground shipping charges.
 - c. The rest of the rental fee is given to the rep as payment for finalizing the sale.
 - d. If the customer wants shipping expedited an additional rush handling charge of \$45 is billed by Echappé as well as the new shipping costs.

Limitations to the Basic Participation:

- 1) Commissions do not include the "Crash Insurance Fee". Echappé does not keep this and therefore cannot be part of your commission.
- 2) Brake pads are final sales. Therefore, the commission is of the profit margin on the items, not of the cash received.

Overall Conditions for both Participation levels:

The shop agrees to accept shipments from Echappé Equipment should there be a large event in the area (National Championships, Iron Man event, etc.). For accepting the shipments, Échappé will encourage customers to purchase their food, drink and other race essentials from the shop. From experience, this supplemental purchasing has been shown to produce a fairly large amount of additional income for shops.

We feel that both Échappé Equipment and our affiliate shops will both benefit greatly from working together. Échappé will receive more national exposure while every shop will have the benefit of working with a well-recognized name in a small but very essential field of business. Furthermore, the additional traffic coming through each shop will only help to boost sales while the shop's presence on Échappé's websites and brochures will help create a larger and more recognizable business. We are very excited about the prospect of working together with various shops around the country and hope that your business can become a part of the Échappé family.

Sincerely,



J. Gabriel Lloyd & David Wiswell

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