

The background of the entire page is a photograph of two construction workers. They are wearing high-visibility yellow safety vests over dark blue jackets and hard hats (one yellow, one blue). They are standing on a paved area, possibly a construction site, and are looking at a tablet computer held by the worker on the right. In the background, there is a complex structure of scaffolding and metal beams, suggesting an industrial or construction environment. The lighting is bright, indicating it might be daytime.

SIEMENS

Ingenuity for life

Infrastructure

2017 Market Builder Channel Partner Program

The strength of collaboration,
the commitment to succeed.

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The strength of collaboration, the commitment to succeed.

The Market Builder Channel Partner Program establishes performance criteria that represent fully aligned partnerships with Siemens and recognizes those channel partners that achieve the highest level with the greatest rewards for growth.

Account Status

There are three categories of measurements used to determine a distributor's status of ELITE, Select or Base:

1. Primary Product Support
2. Stock Sales Volume and Growth
3. Total Sales Volume and Small Commercial Project Sales Growth

Each of these categories will have one or more measurements with point values that add up to your Partnership Quality Factor (PQF) score.

Are you ELITE?

Distributors that best support Siemens in the market and demonstrate sound business practices are designated with the status of ELITE and earn the highest levels of incentives and rewards.

Status	Partnership Quality Factor Score
ELITE	75 points or higher
Select	50 points to 74 points
Base	49 points or less



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Incentives

2017 Sales Incentives

Product Category	Achieve Sales Goal: 100% – 110% Incentive based on PQF Status ¹			Growth Bonus
	Base Incentive	Select Incentive	ELITE Incentive	≥ 110% of Sales Goal
Residential: Load Centers, Residential Breakers, Meter Sockets, Meter Combination Load Centers, Uni-PAK and PowerMod™ Group Metering, Temporary Power Panels, First Surge™ ² , A/C Disconnects, Accessories	0.35%	0.75%	1.50%	1.00%
Molded Case Circuit Breakers	0.35%	0.75%	1.50%	1.00%
Enclosed Switches	0.35%	0.75%	1.50%	1.00%
NEMA Controls	0.35%	0.75%	1.50%	1.00%
Unassembled Panelboards Interiors, Boxes, Trims, BL & BQD branch breakers, Main Breaker Kits, etc.	0.35%	0.75%	1.50%	1.00%

1. Sales Goal Incentive & Growth Bonus are calculated on the total sales of eligible products with a maximum incentive calculated at 130% of goal.
2. First Surge™ is Siemens whole home surge protection products.

e-Business Utilization Incentive

We reward channel partners who use our e-business tools by offering a quarterly e-Business Utilization Incentive—**an additional 1% for all invoices earning the standard 1% cash discount**. To qualify, a channel partner must maintain the minimum levels shown below in all categories.

The incentive will be paid out quarterly, approximately 45 days after the end of the quarter. Invoice payments that are late or do not meet our standard payment terms will not be eligible for the incentive.

e-Business Requirements	Minimum Score
Electronic Order Entry (eOrder)	≥85%
Electronic Rebate Credit Requests (eRebate)	≥85%

2017 Incentive Calculation Example

Sales Performance: Enclosed Switches	
Product Sales Goal	\$100,000
Product Sales Achieved	\$120,000
Goal attainment	120%
Incentives Earned:	
1) Incentive based on PQF Status: The incentive multiplier is based on Base, Select or Elite status depending upon PQF points earned	
Base: 0.35% x \$120,000 total sales=	\$420
Select: 0.75% x \$120,000 total sales=	\$900
ELITE: 1.5% x \$120,000 total sales =	\$1,800
2) Growth Bonus Incentive	
1.00 % x \$120,000 total sales=	\$1,200
Total Enclosed Switches Incentive Earned:	
Base Earned: \$420 + \$1200 =	\$1,620
Select Earned: \$900 + \$1200 =	\$2,100
ELITE Earned: \$1800 + \$1200 =	\$3,000

Maximizing your status with Partnership Quality Factors

We have simplified the PQF scoring to focus on key partnership values. A status of ELITE, Select, or Base will have a financial impact on partners who meet their sales targets. Make sure you work closely with your Siemens team to achieve your highest possible PQF score and status.

1. Primary Product Representation

Siemens recognizes the value of exclusive support for the primary products within a market segment. The primary products for the Infrastructure market segment are:

- Meter Sockets
- Residential Load Centers
- Combination Load Centers
- Group Metering
- Enclosed Switches
- Circuit Breakers
- Panelboards
- Switchboards

2. Stock Sales Volume & Growth

It is important for our channel partners in the Infrastructure Market Segment to fully support all of the Siemens products sold through stock and achieve growth in each product category.

- **Residential Products through Stock**
 - Load Centers
 - Meter Combos
 - Meter Sockets
 - Metering
 - Residential Circuit Breakers
 - A/C Disconnects
- **Commercial Products through Stock**
 - Unassembled Panelboards
 - Panelboard Breakers
 - Molded Case Circuit Breakers
 - Switches
 - Transformers
 - NEMA Controls

3. Total Sales Volume and Small Commercial Project Sales Growth

It is important for our channel partners to have meaningful presence in their local markets and show continuous growth in their markets. In 2017, we will recognize and award PQF points for overall sales, stock sales growth, and growth in small projects within the Infrastructure Market Segment.

Smaller, less complex commercial projects represent a key segment for the infrastructure market. Siemens has developed and continuously refined COMPAS, our project configuration, proposal, and order management tool which enables our channel partners to independently pursue and secure customer orders for these projects. In 2017, we will award PQF points based on the sales volume growth of these orders.



1. Scoring will be based on year-to-date performance.

Partnership Quality Factor Scorecard

Evaluation Category	Max Value	Scale of points awarded based on performance objectives		
1. Primary Product Support — 35 point maximum				
Load Centers, Combo & Uni-PAK Metering, Enclosed Switches, Breakers, Panelboards, Switchboards	30	Fully Exclusive	Shared	Competitive, 3-lines, or below min. volume
		30	15	0
Meter Sockets ¹	5	5	3	0
2. Stock Sales Volume & Growth² — 40 point maximum				
Residential Stock Sales Volume Load Centers, Meter Combos, Talon, Metering, Residential Breakers, A/C Disconnects	10	\$50,000	\$25,000	\$15,000
		10	7	4
Residential Stock Sales Growth³	10	107%	104%	100%
		10	7	4
Commercial Stock Sales Volume Unassembled Panelboards & Panelboard Breakers, Switches, Molded Case Breakers, Transformers, NEMA Controls.	10	\$80,000	\$50,000	\$30,000
		10	7	4
Commercial Stock Sales Growth³	10	107%	104%	100%
		10	7	4
3. Total Sales Volume and Small Commercial Project Sales Growth — 25 point maximum				
Total Sales Volume ⁴	15	>\$500,000	>\$200,000	>\$50,000
		15	8	5
Small Commercial Project Sales Growth ⁵	10	107%	104%	100%
		10	7	4
Total Maximum Points	100			
4. Bonus Points — if achieved, these points are added to Total Points accumulated above				
COMPAS Small Commercial Project Creation ⁶	5	≥75%	74-50%	49-25%
		5	3	2

1. Minimum sales of \$1,500 required to earn PQF points.
2. Stock sales are based on Standing SPAs, net of returns, rebates and credits
3. Minimum Stock sales of \$15,000 required to earn points for growth.
4. Eligible Products: Residential, Switches, Circuit Breakers, Distribution Equipment, NEMA Controls.

5. Small Commercial Projects are project orders configured in COMPAS with a maximum value of \$15,000 which do not contain any complex configured equipment.
6. COMPAS Small Projects Creation will be measured as % of orders for quotations created by Distributor personnel of Small Commercial Projects under \$15,000 in total value.

Status based on PQF Score	ELITE	Select	Base
	75 points or higher	50 points to 74 points	49 points or less

Additional Components

ELITE & Exclusive Bonus!
10% Allowance and Q2 unused balance rolls into Q3!

Co-op Promotional Marketing Funds

Investing in growth

To promote partnership and sales growth in the markets we serve, enrolled channel partners that achieved a level of ELITE or Select in 2015 or 2016 will be provided a co-op promotional funding allowance based upon their previous 12 months stock sales¹ of eligible product. The funds can be used for a variety of business development activities as listed in our promotional funding policy.

Accounts that were Base level in both the 2015 and 2016 program year, will not be issued a 2017 co-op allowance. These accounts may request Market Development Funds through the Business Planning process which may be approved by the Region Channel Manager.

Accounts that are appointed in 2016 or 2017 will have a minimum allowance of \$500 for Distribution and Controls. Accounts appointed in 2017 will also be provided with point of purchase materials selected by your sales representative.

Distribution & Controls Co-op Funding	
Promotional Funding Rate ²	0.50%
Maximum Allowance	\$1,000
Exclusive Bonus: Accounts that exclusively represent Siemens for Residential, Circuit Protection and Distribution Equipment products will have a maximum allowance of \$2,000.	Up to \$1,000

Eligible Products: Residential Load Centers & Breakers, Meter Sockets, AC Disconnects, Molded Case, Circuit Breakers, Enclosed Switches, AC Controls, Unassembled Panelboards

Claiming co-op funds

Co-op claims can be submitted and tracked by channel partners through our online claim processing system accessed through the Siemens Industry Mall website. To be eligible, claims must comply with Siemens coop and branding policies, and be submitted within 90 days of the start date or completion of an activity. Promotional funds not used within the current calendar year will be forfeited.

Strategic Funding

Incremental market development funds may be available for strategic opportunities with written approval from your Siemens Region Channel Manager. Requests must be incorporated in annual business plans established with your local sales team.

1. Stock sales are based on Standing SPAs, net of returns, rebates and credits.
2. 0.50% of previous 12 months stock sales of eligible products.

Inventory Adjustment Program

The Inventory Adjustment Program allows the return of slow-moving or incorrectly ordered eligible products. Channel partners can avoid the 20% restocking and repackaging charges when they take advantage of this program and enter a quarterly return request through Siemens Industry Mall.

- Each quarter, distributors will be allowed to request a return up to 5% of their stock sales¹ of eligible products.
- **Exclusive and ELITE Bonus!** Accounts that exclusively represent Siemens primary products or have achieved ELITE status in 2015 or 2016 will be allowed to request up to 10% return of stock products. In addition, they will be allowed to roll unused allowance from Q2 into Q3.
- Channel partners are limited to one return per quarter.
- Returns must be requested on Industry Mall to waive restock fee.
- Any unused allowance from Q1 and Q3 will be rolled into the allowance for Q2 and Q4 respectively. Any unused allowance from Q2 or Q4 will be forfeited.
- Products eligible for inventory adjustment must be returnable items in resalable condition. Items must be securely packed to be received by Siemens without damage.

Inventory Adjustment Program

Eligible Products: Residential Load Centers & Circuit Breakers, Combination Load Centers, Uni-PAK Metering, Enclosed Switches, Meter Sockets, A/C Disconnects

Business Excellence Eagle Award



Siemens will award the Business Excellence Eagle Award, our highest recognition, to the top 25 performing companies or locations. Companies earning the Business Excellence Eagle Award will receive our uniquely commissioned eagle statue, with a custom cast plaque recognizing the company and year that the award was earned. In addition, recipients will receive a special celebration presentation hosted by their Siemens sales office.

Program details

- Accounts appointed after January 1, 2016 will be assigned product sales goals equal to 90% of their actual 2017 product sales, or an established minimum goal, whichever is greater, unless a specific sales goal is manually established.
- Sales and Growth Incentives will be calculated based on the program status level achieved as of December 31, 2017.
- Residential Products may include Siemens, Murray and Talon branded products.
- The channel partner is accountable for calculating purchases from Siemens net of any rebates, credits and returns submitted to Siemens during the program year when estimating their year-end purchasing objectives needed to attain sales levels for incentive payouts included in this program. Siemens may provide estimated sales needed to attain payout levels from time-to-time for general guidance only.
- Channel partners that participate in the Residential market segment may not participate in other market segments.
- Channel partners that participate in the Infrastructure and either the Industrial or Industrial Automation market segments will have their sales and growth incentives for Residential Products, Molded Case Breakers, Enclosed Switches and Unassembled Panelboards calculated on their Infrastructure market segment level. The sales and growth incentive for NEMA and IEC Controls will be calculated on their Industrial or Industrial Automation market segment level.
- Channel partners that participate in multiple market segments will have their overall account status determined by their historical sales volume through the primary products in each segment. The overall account will be considered ELITE if 80% or more of their sales flow through the principal products of a market where the account qualifies as ELITE.
- Products eligible for inventory adjustment must be returnable items in resalable condition. Items must be securely packed to be received by Siemens without damage.
- Channel partners that are members of groups or organizations may not be eligible for the Sales and Growth Incentive or other portions of the Market Builder Channel Partner Program that contradict any other agreement with Siemens. Please contact your sales representative for specific program details.
- Sales and Sales Growth incentives for National Accounts are confidential and are not disclosed. Please refer to the applicable agreement or the company headquarters for additional information.
- Product line representation changes will be recognized in the month following written notification to Channel Management.
- Channel partners whose sales of Residential Products represent over 80% of their business may enroll in the Residential market segment and will not be eligible to participate in the Infrastructure market segment.
- Channel partners must be appointed for Industrial controls or other Industrial product category to participate in the Industrial Components Market Segment.
- Channel partners that are appointed for Automation products, may not enroll in the Industrial Components Market Segment.
- Incentives offered will not be considered earned until the proper current financial documentation (W9) has been provided.
- All Sales and Growth Incentives and other program benefits are offered based on the full compliance of payments in accordance with invoice due date by participating channel partners. If a participating account fails to pay invoices timely and in accordance with the invoice terms shown on each invoice, Siemens management may determine an account ineligible for any or all of the incentives offered or projected at any time during the program year up until the date that an incentive is actually issued. It is the responsibility of the participating channel partner to monitor their accounts payable processes for compliance with payment terms and payment procedures. Channel partners may contact their Siemens credit analyst with any questions regarding payments due.
- All decisions are based on the records of Siemens Industry, Inc. Siemens reserves the right to modify the terms and conditions or terminate the Market Builder Channel Partner Program at any time.
- Eligibility for participation in the Market Builder Channel Partner Program is determined at the sole discretion of Siemens Industry, Inc. and may be rescinded at any time.
- Any distributor that is found to sell or suspected of selling any Siemens product to non-authorized resellers will be ineligible for participation in the Market Builder Channel Partner program and any benefits offered therein.

Market Builder Channel Partner Program

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