

Danfoss Business Development Funds (BDF)

Table of contents

- Danfoss Business Development Funds (BDF): Policy** 2
- Danfoss Branding Resources and Co-Branding Requirements**..... 4
- Danfoss Business Development Funds (BDF): Activities**..... 6
- Quick reference guide BDF reimbursement** 8
- Activity Reimbursement Summary** 9

If you have any questions regarding the 2024 Distributor Business Development Funds program, email us at DPSFundsSupport@Danfoss.com.



Danfoss Business Development Funds (BDF)

Policy

Danfoss Business Development Funds (BDF) Program is designed to develop and capture new business for your company and enhance your local marketing efforts and service capabilities for Danfoss product lines. This manual explains in detail how eligible US and Canadian distributors can participate and receive program credits.

Danfoss distributors have the responsibility to submit a request for any credit they feel is applicable. Distributors must meet the requirements in this manual in order to receive credit.

To be eligible, distributors must meet prior year purchase requirement of maintaining $\geq 90\%$. Distributors not meeting this requirement can still have funds allocated after they complete a Danfoss approved Marketing and Sales Plan with the BDF Utilization section filled out.

Important BDF program rules

- The 2024 program starts 1-1-2024 and ends on 11-30-2024.
- All invoices and proofs must be submitted electronically to the online funds support web site before midnight CST on 11-30-2024 through [My.Eaton.com](https://my.eaton.com).
- All invoices must be from the current calendar or December of the previous year to qualify for reimbursement.
- Reimbursement credit for invoices in Canadian funds will be based on the U.S. dollar exchange rate in effect on the original invoice date.
- Credit will not be issued for **taxes, freight, postage, mailing lists, or handling charges**. Any such charges should be subtracted from your invoice(s) prior to submitting it for credit.

Distributor classification

The following terms apply:

1. Credit for approved activities by Affiliate distributors will only be issued through eligible sponsoring distributors.
2. Danfoss will not credit non-distributors for any form of advertising or promotional material.

Guidelines

Distributors are responsible for reviewing and understanding the new guidelines for the 2024 BDF program.


- Funds are earned and must be used during the current calendar year. Submissions can be uploaded to [My.Eaton.com](https://my.eaton.com) when the site opens in early March 2024 through November 30, 2024.
- Funds usage will be limited to a maximum of fifty percent (50%) for the 1st half of the year and fifty percent (50%) the second half of the year.
- First half Fund submissions are due by July 31, 2024. On September 3, 2024, the funds will re-load for the second half of the year. **Any funds not used in the first half of the year will not roll over to the second half fund period.**
- Any exceptions that deviate from the program guidelines in the manual will be subject to review through our exception process. Danfoss has sole discretion to approve or deny these requests.
- **Unused balances in the 4th quarter will not be carried over to the following year.**
- Submissions not meeting the 2024 guidelines, as outlined in this manual, will not be approved.

How your BDF amount is determined

Funds are earned and allocated based on the distributor net purchases of PMC and Fluid Conveyance products in 2023. Distributors will be able to view their allocated funding by the beginning of March. Distributors can view this by navigating to MyEaton.com - Tools - Support - Fund Support (Danfoss).

***BDF will be capped at \$200K for 2024**

BDF Allocated



	PMC	FC
Elite	0.75%	1%
Platinum	0.5%	0.75%
Gold	0.25%	0.25%

H1	H2
50%	50%

I M P O R T A N T !



As Danfoss transitions to new a new BDF system in November of 2024, some key dates to keep in mind:

* 2024 first half fund will extend through July 31st, 2024. All submission for first half funding must be in by midnight on July 31st, 2024.

*There will be a freeze period to help the transition starting October 18th.

*Beginning in November, remaining second half funds will be loaded and available through the new BDF portal and will be accessible to Distributor partners at that time.

Ad content for distributor advertising

Danfoss requires approval on all forms of advertising prior to placement, and retains the right to request change of content following such review. Prices, terms of sale, and any other relevant selling conditions will remain the sole prerogative of the distributor and will not be subject to approval by Danfoss.

Processing your BDF claim

All invoices and proofs must be submitted electronically to the Funds Support website through [MyEaton.com](https://my.eaton.com). First half funds must be submitted before midnight CST on July 31, 2024. **Funding not used by July 31st will not roll over to the second half fund period.**

Funding not used by November 30th will not roll over to the next year. BDF claims will be audited, verified, and paid (by credit memo only) from Danfoss to the distributor. Distributors are not authorized to debit Danfoss for any credits prior to approval or credit issuance. Continued violations may result in the loss of access to the program.

Second half funding must be submitted before midnight CST on November 30, 2024.

The content of commercials and/or advertisements must devote at least 50% to Danfoss products and must have Danfoss prior approval. If products of other manufacturers are included in the same commercial or advertisement, **Danfoss will only issue credit for the portion devoted to Danfoss products based solely on Danfoss discretion. Prior review and pre-approval is highly recommended.**

Danfoss reserves the right to approve the entire program prior to inception and to terminate such approval at any time. Any approval will, in any event, terminate upon the end of the calendar year in which the program is run. Subsequent program approvals will be required in the manner outlined herein.

Items not covered

The following items are not eligible for credit in the BDF Program:

Items not eligible for credit

- Any ads in which Danfoss trademarks are used improperly
- Packaging
- Freight and handling
- Labor
- Mailing lists
- Postage
- Product samples
- Stationery
- Taxes

Danfoss identity

Both design and identity are key factors in building the Danfoss image. A consistent use of Danfoss basic elements ensures a uniform effect on the market and contributes to the building and maintenance of Danfoss' brand value.

Danfoss design TouchPoint site

To get logos, design guides, marketing news, Inspiration, Events & Exhibitions and more go to Danfoss Design TouchPoint Site. Anyone can create an account and log into the Danfoss Design TouchPoint Site.

Create a account at [Danfoss Design TouchPoint Site](#)

Danfoss brand basics

Any materials displaying the logomark must conform to the requirements of this program..

Please refer to Danfoss brand standards via these links <https://ett.danfoss.com/design-center/brand-basics-cvi/>

Proper use of Danfoss trademarks

Logo

ENGINEERING
TOMORROW



"Boxlogo" - Danfoss logotype placed in a red or black box

Engineering Tomorrow (ET) is also available in white for colored backgrounds.

The only exception to use the Boxlogo without the payoff, would be if the readability of the payoff is affected

ENGINEERING
TOMORROW



"The Payoff" - Engineering Tomorrow

The Boxlogo can only be displayed in black when used on forms printed on plain paper, photocopies, faxes and on products.

To access all available logos, visit the logo tab under [Design Center > Brand Basics > Logo](#).

Colors



Danfoss sticks to three main colors and their tones. Find the exact HEX, HTML and Pantone codes here under [Design Center > Brand Basics > Colors](#)

Quick colors

Danfoss Red RGB 226-0-15

Danfoss Deep Red RGB 182-0-15

Grey RGB 134-144-152

Black RGB 0-0-0

Co-branding

Each authorized product distributor has the right to use the Aeroquip, Boston® by Danfoss industrial hose, Char-Lynn, Danfoss, Hydro-Line, Vickers, and/or Weatherhead, Synflex, Hansen and other Danfoss product names as part of its advertising efforts.

However, when these product names are used in distributor communications, it should be clear that the Danfoss product line is a distributed product line of that company by using the phrase, "Danfoss Authorized Distributor of [insert product line name here] Products." In no case should the communication imply that the distributor is an Danfoss unit.

The primary Danfoss product names have a variety of registered trademarks, which must be used in accordance with established guidelines. Trade name recognition comes from consistent and proper use that can lead to distributor sales.

Find the co-branding manual, product label guidelines and examples here under [Design Center > Brand Basics > Cobranding](#)

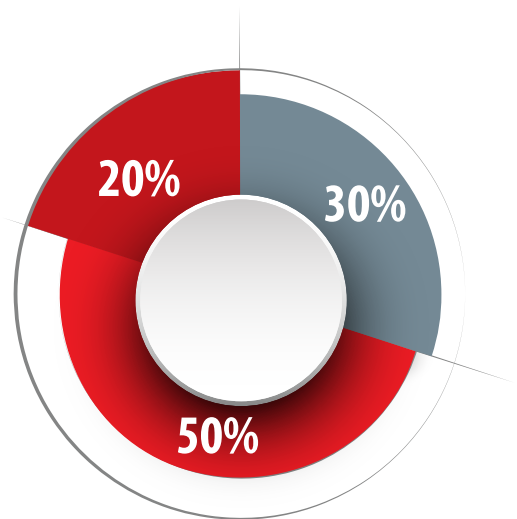


Danfoss Business Development Funds (BDF)

Activities

Plan, prepare and promote

Business development funds can help to boost growth and opportunity for your business. Below is an example of how a distributor could break out their marketing mix to align with the 20 / 30 / 50 guidance.



20% Branding

- 10% Internet advertising
- 10% Promotional items

30% Capabilities

- 5% Machine Tooling
- 5% Unique ID
- 10% Website development
- 10% Danfoss led training

50% New growth opportunities

- 5% Prototypes
 - 15% Competitive lifts
 - 10% Events
 - 20% Internal sales incentive
- (this can be Prototypes, machines and tooling, competitive inventory lifts, etc.)

Activity summaries

Please read through the 2024 approved BDF activity list carefully. In order to qualify for BDF reimbursement, all requirements must be met. If you have any questions around activities, please reach out DPSFundsSupport@Danfoss.com

Internet Advertising/Digital Communication

Danfoss will reimburse up to 100% of the cost of advertising on the internet and website development. All ads and Danfoss represented website development must have prior approval from the Danfoss program manager.

Examples of approved activities for advertising on the internet are: Geo-targeted pay-per-click marketing campaigns, banner ads, sponsored e-newsletters, and social media posts.

Reimbursement will be for Danfoss represented space only.

Sales Literature/Promotional items (Danfoss produced)

Items purchased through Danfoss approved vendors for Sales Literature and Promotional items, will be eligible for 100% reimbursement on those items.

Included in this activity are Danfoss approved literature files that are used by the Distributor to print on demand through a third party vendor if they are no longer offered through a Danfoss approved vendor.

Sales Literature (Distributor produced)

Danfoss will reimburse up to 100% of the cost of distributor produced sales literature which promotes Danfoss products. All literature must meet the Danfoss co-branding standards. Distributors will need prior approval to qualify for reimbursement.

Reimbursement will be pro-rated based on Danfoss product exposure.

Examples of approved activities would include co-branded print advertising/mailings, customer co-branded catalogs (digital or otherwise), etc.

Promotional items (Distributor produced)

Danfoss will reimburse up to 100% for promotional merchandise that was produced and/or purchased through a vendor other than those designated by Danfoss.

To be eligible for BDF reimbursement, novelty or giveaway items must receive prior approval from the Danfoss program manager and must meet Danfoss co-branding standards.

Photos of the merchandise and copies of paid invoices must be submitted to receive reimbursement on the cost of the items.

Training (Danfoss led)

Distributors can receive reimbursement for up to 100% of the cost of tuition for instructor led Danfoss technology and product courses. On-the-road course tuition for training at distributor's location is also included.

Reimbursement for training courses is dependent on completion of the course and submission of proof of course completion and invoice.

Reimbursement is limited to a max of 50% for travel costs associated with the training course. Only multi-day training events are eligible. Danfoss will not reimburse travel costs for a single day event.

All travel related reimbursement must be approved by the Channel Development manager. Eligible travel expenses are limited to: hotel, flight and rental car.

Application Development Center (ADC) visit/ Technology days

Distributors can take advantage of the Danfoss Application Development Center in Ames, IA to learn about and see demonstrations on products and services that are of particular interest to the Distributor and their end users.

Distributors must work through their Danfoss Sales Account Manager and/or Channel Development Manager to coordinate the approval for a visit.

Distributors can receive up to 50% reimbursement for travel expenses for multi-day events. Eligible expenses for the Distributor include: hotel, flight and rental car.

Retail program assistance

Danfoss will reimburse distributors up to 100% for costs associated with a new Retail Hose Center or mobile program. Prior approval from the Retail Program Manager is needed for reimbursement. Examples of approved activities would be:

- Posters/retail program banners
- Promotional Items
- In-store signage
- End caps including signage for the end caps
- Merchandising items such as bin boxes, peg hooks and label holders
- Hose boards and Bite-the-Wire product displays
- Generator/power inverter for mobile programs
- Hose rack, inventory bins and work bench for mobile program
- Outdoor signage

Danfoss will not reimburse for any Retail Hose Center construction costs, inventory or the cost of a vehicle for the mobile program.



Activity summaries

Internal Programming Fees

You can receive reimbursement for up to 100% for money spent on programming Danfoss specific file submittals (i.e. POS submissions or other requirements of the Premier Partner Program)

Other examples of approved programming fees would be: PLUS+1 Professional license fee (renewals fees for this license would not be covered through BDF), WarehouseTwo subscription fees, Waste Management supplier fees, internal ERP related changes needed to do business with Danfoss.

Activities that are not approved would include programming fees at an end user that the Distributor would perform, AutoCAD software licensing fees/renewals

Activity must have prior approval from the Danfoss program manager before submission.

Trade Events

Danfoss will reimburse 100% of the production costs of trade show materials and participation fees for Danfoss product related space. Pre-approval from the Danfoss program manager is required.

Other related activities would include: Hose Center openings, sponsorships, Distributor open houses and technology days.

Prototypes

Distributors can receive reimbursement for up to 100% of the cost of the Danfoss product on the prototype with Danfoss Sales involvement.

Machines/tooling (Danfoss purchased)

Distributors can receive reimbursement for up to 100% of the cost of machines or tooling purchased through Danfoss. This is for internally related placements. Approval from your Channel Development manager is needed and must be submitted with the Danfoss invoice for reimbursement.

Examples include: crimpers, saws, cabinets, collets, etc

Machines/tooling (non-Danfoss purchased)

Distributors can receive up to 100% reimbursement on items related to machines, tooling and test equipment that Danfoss does not manufacture or is not offered in the Danfoss machine and tooling portfolio.

Items must be related to growing Danfoss products and services. BU approval/support is required for non-Danfoss manufactured items. Examples of items that may fall under this activity would be: build center test stands, machines not in the current Danfoss portfolio, bins and shelving at an end user, etc.

Example of items that would not be covered through the BDF program would be: items from third parties like Home Depot,

Lowes, or other home improvement stores, operational costs like computers, end user reels/bins or consignment set up.

Competitive Inventory lift

Distributors can receive reimbursement for up to 50% of the cost of removing competitive stock. For approved account conversions, the distributor can receive Danfoss assistance with competitive stock lifts:

- A replacement stock order for Danfoss product of equal or greater value must be placed at the same time of the stock lift.
- The quantity and value of the competitive material to be replaced must be verified and approved by the Danfoss Account Sales Manager on the Inventory Lift Program Form.
- An approved copy of the Inventory Lift Program Form must be submitted with the product order for each opportunity.

Each opportunity must have prior approval from either the Danfoss Sales Account Manager or Channel Development manager before moving forward with the lift.

College Donation (New equipment)

Danfoss will reimburse up to 100% for any current Danfoss products or equipment donated or placed at local colleges or universities used to train the next generation of fluid power engineers and specialists.

Distributors will need prior approval from the Channel Development Manager or Danfoss program manager. Distributors will need to submit a copy of a Danfoss invoice, along with a copy of the Distributor's invoice to the college where it was placed. The Distributor will be reimbursed the difference of their invoice and Danfoss invoice.

Outdoor signage

Distributors can receive up to 100% reimbursement. Prior approval is needed from the Danfoss Program manager. This activity would include standard Danfoss distributor signage, billboard advertisements, etc. Distributors will need to submit a picture of the sign along with Danfoss approval and invoices.

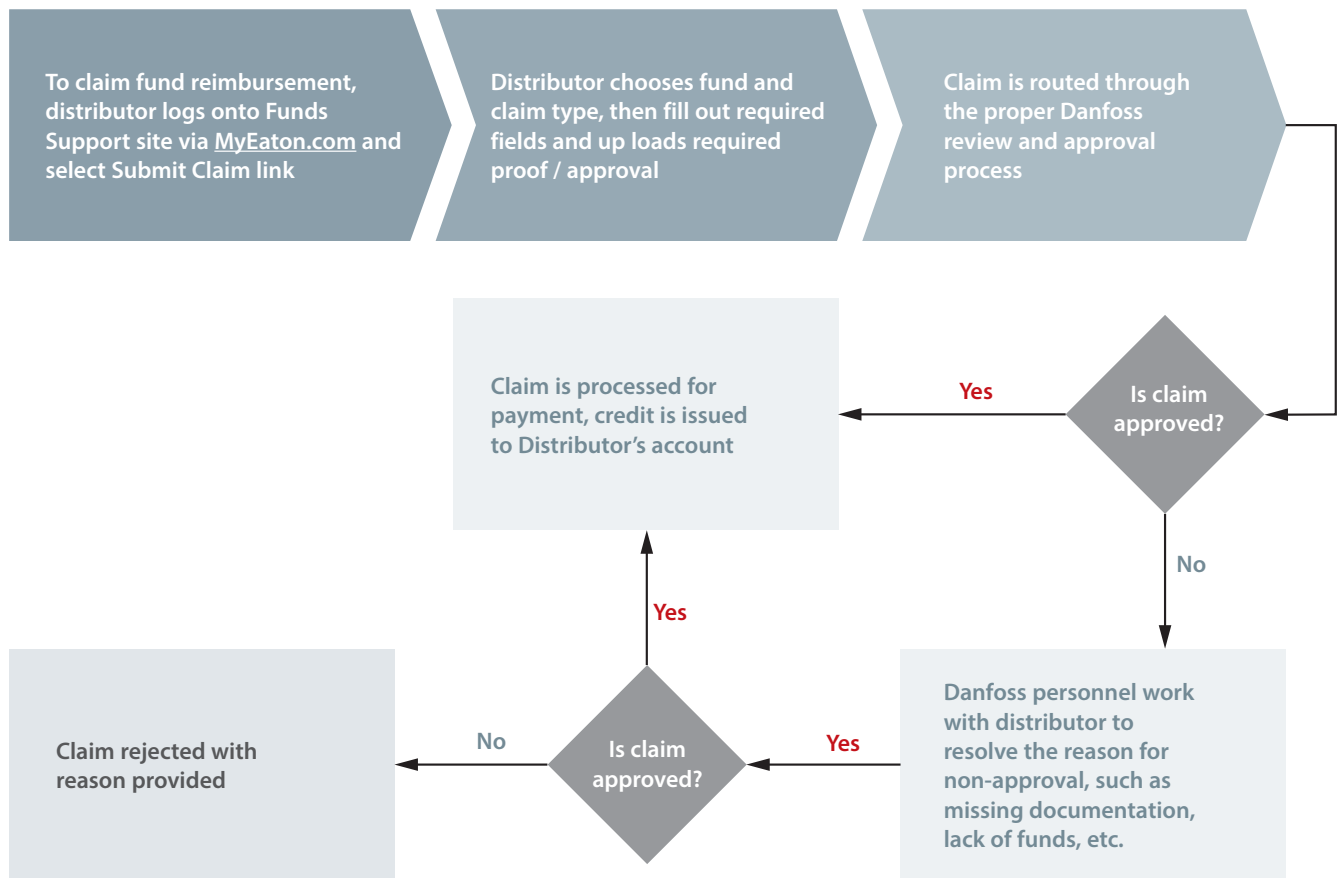
UniqID asset tracker

Distributors can receive credit for up to 100% for items associated with setting up your business with UniqID. Items eligible for reimbursement include:

Printers from Zebra Technologies
Model ZD420
Model ZT411
Model ZD421

Quick reference guide BDF reimbursement

The reimbursement process



All claims must be submitted electronically and include a copy of the original invoice.

The activities on the following page outline which activities require proofs and those that require additional approval to be submitted with the invoice.

Proofs (pictures, mockups, etc.) are required for any promotional activity produced or conducted by the Distributor by any vendor not identified by Danfoss as a pre-approved vendor. Proofs must

show how Danfoss is being promoted in accordance with Danfoss brand standards.

Activities requiring additional approvals must be submitted along with the approval of either the Channel Development Manager, Area Sales Manager or Regional Sales Manager.

Business Development Fund activities

Activity	Reimbursement percent
Machines/tooling (Danfoss purchased)	100%
Machines/tooling (non-Danfoss purchased)	100%
Internet Advertising/Digital Communication	100%
Literature (Distributor produced)	100%
Promo items (Distributor produced)	100%
Literature/Promo items (Danfoss produced)	100%
Training (Danfoss led)	100%
ADC visit/Technology days	50%
Retail program assistance)	100%
Internal Programming Fees	100%
Trade Events	100%
Prototypes	100%
Competitive Inventory lift	50%
College Donation (New equipment)	100%
Outdoor signage	100%
UniQID Asset Tracker	100%
Travel for Danfoss training	50%

Activities requiring proofs needs to be submitted with copies of the invoice(s) along with proofs of the promotional activity showing how Danfoss was being promoted. Proofs can be in the form of mock-ups, drawing, or pictures.

Activities requiring additional approvals must be submitted along with the approval of either the Channel Development Manager, Area Sales Manager or Regional Sales Manager.

Activities requiring Danfoss approvals need to be submitted with copies of the invoice(s) along with a copy of Danfoss approval. Danfoss approval can be in either the format of a signed program form or in an email that outlines the activity being approved and the expense amount.

2024 Distributor Business Development Funds (BDF)

Enhance your local marketing efforts and service capabilities for Danfoss product lines.

Danfoss can accept no responsibility for possible errors in catalogues, brochures and other printed material. Danfoss reserves the right to alter its products without notice. This also applies to products already on order provided that such alterations can be made without subsequential changes being necessary in specifications already agreed. All trademarks in this material are property of the respective companies. Danfoss and the Danfoss logotype are trademarks of Danfoss A/S. All rights reserved.