



MARKETING DEVELOPMENT FUND (Formerly VRR Co-Op) Version 16

In an effort to allow partnership dollars to go further in driving our collective business and support our complex city/resort store mix, VRR is replacing the Co-Op Marketing Program with a Marketing Development Fund (MDF) model.

Marketing development funds will be used to invest in marketing to drive topline retail traffic across the breadth of our network of stores where and when we can most effectively grow the business. We will not support brand specific proof-of-performance marketing efforts.

The net benefit of the MDF program is to enable VRR to pool these partnership dollars and scale marketing efforts where and when we can drive the most traffic and revenue. Doing so will enable VRR to grow the total business resulting in a net benefit to our partners in proportion to their percentage of the business within their category (or categories). Further, the long term benefit is to build a more equitable and sustainable partner supported marketing program with involvement from all our vendor partners.

The Marketing Development Fund Program does not affect or change any co-op marketing agreements in place for partners with whom we operate partner/concept stores. Our partner concept store agreements stay the same. This new MDF model will only replace the former Co-Op Program. It will not replace any current MDF dollars for In Store Experiences.

At the end of each fiscal quarter VRR will take a deduction from vendor invoices in the form of a chargeback fee. The amount of the chargeback fee will be 2% of total receipts during the quarter. Prior to the deduction, an email with deduction details will be sent to the VNC Distro List completed in the contact profile section of the vendor portal located on www.vailresortsretail.com/vendors