



## Purveyor Information Package

The Mirachem Corporation

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Thank you for your interest in becoming a Mirachem Purveyor. We're pleased to provide you with this package of general information to help you understand our distribution system, and make informed decisions about how Mirachem may fit with your business goals.

We offer several types of Purveyor Relationships that can help you to make Mirachem's products and services into a successful business opportunity. These relationships include:

- ☞ Independent Manufacturers Representative
- ☞ Target Market Distributors
- ☞ Industrial Distributors
- ☞ Private Label Distributors
- ☞ Service Distributors

Mirachem's Purveyor relationships are designed for different types of individuals and businesses, and each carries its own mutual commitments. These commitments are detailed in formal agreements between Mirachem and the Purveyor, and cover such topics as:

- ☞ Mutual protections of confidential and proprietary information.
- ☞ Mutual definitions and protections of customer and account bases.
- ☞ Guidelines for the cooperative conduct of business between Mirachem Purveyors.
- ☞ Sales territories.
- ☞ Insurance requirements / mutual insurance protections.
- ☞ Mutual liability management.
- ☞ Minimum order and annual volume commitments.
- ☞ Payments due to one party or the other.
- ☞ Protection of the Mirachem trademarks and technology.

A brief summary of the various Purveyor Relationships and their requirements is found below.

### **Independent Manufacturer's Representative**

The Independent Manufacturer's Representative relationship is ideal for the individual or organization that has existing sales contacts or leads, but without the ability or desire to inventory product and provide extensive customer infrastructure. In this relationship, the Representative provides the day-to-day contact and sales activity to the customer, and Mirachem provides the customer service, shipping and billing functions.

The Independent Manufacturer's Representative is compensated by Mirachem in the form of commission payments based on sales activity.

Requirements to establish this relationship are minimal, mainly detailing the financial commitments to the Representative, and the mutual risk management protections.

### **Target Market Distributor**

Target Market Distributors are primarily involved in the re-selling of Mirachem's specialty, commodity or janitorial market products. This relationship is usually appropriate for the small, entrepreneurial business, with a tightly defined geographic market, and which currently offers other products or services that are complimentary to Mirachem's line.

The Target Market Distributor purchases from Mirachem at a discounted price, and then resells to their final customer.

Requirements to establish this relationship include:

- ☞ Territory / product line definition.
- ☞ Minimum orders
- ☞ Volume Commitments
- ☞ Basic insurance requirements.

### **Industrial Distributor**

Industrial Distributors are typically companies with existing distribution or industrial sales business, that have a competitive niche or new-market opportunity that can be served by Mirachem. Industrial Distributors have the greatest access to Mirachem's product offering and support. This relationship is usually only appropriate for the organization that has a committed interest in making Mirachem a significant part of their product catalog.

Industrial Distributors purchase from Mirachem at a discounted price, and then resell to their final customer. Discount percentages usually range from 25 – 40% off of Mirachem's published list price, dependant on volume purchase commitments.

Requirements to establish this relationship include:

- ☞ Territory / definition.
- ☞ Minimum orders
- ☞ Volume Commitments
- ☞ Complete insurance requirements
- ☞ Mutual performance commitments

### **Private Label Distributor**

Private Label Distributors are usually companies that manufacture and/or market products or services that are complimentary to, or used in conjunction with, Mirachem's cleaning fluid technologies, and that have a brand name or trademark that they wish to promote in the marketplace.

There are three kinds of private label relationships:

1. *Manufactured by Mirachem, Distributed by Distributor* - Mirachem manufactures and packages the final product for the Private Label Distributor, as the Distributor's brand.
2. *Manufactured by Distributor, Distributed by Distributor* Mirachem provides bulk fluid to the Distributor, who manufactures and packages the final product, using technology licensed by Mirachem.
3. *Custom Formulation* – Mirachem and distributor work together on a new product formulation.

Requirements to establish these relationships include:

- Market definition.
- Minimum orders
- Volume Commitments
- Complete insurance requirements
- Mutual performance commitments
- Price negotiation

### **Service Distributor**

Service Distributors are typically companies with existing service business that have the ability to primarily use Mirachem products in the performance of their daily activities. Most often, this use is in the areas of parts washer service, contract cleaning, or facility maintenance providers. Service Distributors typically have need for only limited access to Mirachem's product offering and support. This relationship is usually appropriate for the organization that can realize a competitive or strategic advantage by offering Mirachem products.

Service Distributors purchase from Mirachem at a discounted price, and usually use the product in their operations, but may also resell to their customer.

Requirements to establish this relationship include:

- ☞ Territory / definition.
- ☞ Minimum orders
- ☞ Volume Commitments
- ☞ Complete insurance requirements
- ☞ Mutual performance commitments

### **Mirachem Philosophies**

Mirachem has a few basic philosophies regarding our Purveyor Relationships and how the Mirachem brand is represented in the marketplace. Mirachem believes:

- ☞ The seller should always guarantee Mirachem products and services.
- ☞ The customer is always free to choose their Purveyor.
- ☞ In general, we do not enter into exclusive Purveyor Relationships, but work diligently to support our marketing partners and avoid over-saturation of a market.
- ☞ Where applicable, Purveyors are always free set their own pricing and customer terms. However, we believe in having suggested pricing models for our products, and in publishing these suggested prices to the public.
- ☞ That all customers are entitled to work with well-trained and professional sales and service personnel.
- ☞ Professional competition is healthy, and is to be encouraged.
- ☞ All customers are best served by cooperation between all Mirachem Purveyors.

### **The Process of establishing the Relationship**

The process of establishing a purveyor relationship with Mirachem has nine steps:

1. Initial inquiries and information package (This involves the material you are now reviewing)
2. Execution of Confidentiality & Non-Disclosure Agreement.
3. In-depth outline provided to candidate.
4. Candidate determines the proper Relationship

5. Application (Including application fee, applicable credit profile, and business due diligence)
6. Draft of Agreement.
7. Agreement review.
8. Final draft of Agreement and review.
9. Execution of Agreement.

Barring unusual circumstances, a relationship can progress from inquiry to completion in less than 10 days, although a normal process usually takes about 30 days.

### **The Next Step**

We hope that this information has increased your interest in working with us, and that you're prepared to learn more. We encourage you to contact your Mirachem representative with any comments or questions.

Or, if you are ready to take the next step, so are we! Please provide us with your legal business name, address and the name of the individual who can execute a Confidentiality & Non-Disclosure Agreement with our Company. We will prepare the necessary drafts and work to facilitate their execution.

Again, thank you for your interest in working with us, and we hope to hear from you soon.