

REVENUE/ SALES REPORTING REQUIREMENTS

Revenue/Sales Reports (RSRs) are used to determine the success of assisted marketing activities and whether there is a requirement for repayment of the PEMD contribution. As well the RSRs are used to evaluate future requests for assistance and to assess overall performance of the program.

RSRs must be submitted on the due dates specified in the PEMD legal agreement and must report all revenue received and sales made by the company in the target market.

Four reports are required. The first is due at the end of the activity period or on the expiry date and the remaining three reports at 12 month intervals.

Even if no revenue has been received or sales made, a "nil" RSR is nevertheless required under the legal agreement.

REPAYMENT TERMS

The repayment clause of the PEMD legal agreement stipulates that repayment of the PEMD contribution is based on 4% of incremental revenue/sales made in the specified target market. Incremental sales are total sales in the target market less any base of sales (i.e., existing sales level at the time of application) declared in the application form.

Repayment is due with each of the four Revenue/Sales Reports.

Companies are only required to repay up to the amount of the approved PEMD contribution.

In the case of the United States, up to three applications may be approved, provided the assistance is for different regions of the U.S. However, for the purposes of repayment of the PEMD contribution, all sales in the total U.S. market must be reported with respect to each application, and each legal agreement.

OTHER ADMINISTRATIVE REQUIREMENTS

- APPLICATION PROCEDURES *See page 22*
- HOW APPLICATIONS ARE PROCESSED *See page 22*
- LEGAL AGREEMENT *See page 22*
- CLAIMS *See page 23*
- PROJECT ACTIVITY/MARKET REPORT *See page 23*
- AUDIT PROVISIONS *See page 23*