

Notification for exclusive dealing

**made under section 93 of
the Competition and Consumer Act 2010 (Cth)**

by Polaris Sales Australia Pty Ltd

21 December 2021

Defined terms used in this Document

'ATV' means an all-terrain vehicle.

'Dealer Agreement' means an agreement appointing a Polaris Dealer.

'ORVs' means off-road vehicles, including ATVs and side-by-side vehicles. Pictures of each type of vehicle are in Schedule 1.

'Polaris' means Polaris Sales Australia Pty Ltd ACN 088 081 949.

'Polaris Dealer' means a business appointed by Polaris as its authorised dealer, pursuant to a Dealer Agreement.

'Polaris Products' mean Polaris Vehicles, parts and accessories.

'Polaris Vehicle' means a 'side-by-side' ORV sold under the Polaris brand.

Notifying party

1. The **notifying party** is:

Polaris Sales Australia Pty Ltd (**Polaris**)

ACN 088 081 949

36 Grimes Crt, Derrimut VIC 3020

Phone: 03 9244 7048

2. The **contact person** is:

Sophia Nolan

[REDACTED]

[REDACTED]

3. **Polaris' business activities:** Polaris imports, and distributes through Polaris Dealers, Polaris Products. Polaris also imports and distributes Indian motorcycles and some small specialised commercial vehicles.
4. Polaris Dealers are party to a Dealer Agreement which authorises them to sell Polaris Products and to service Polaris Vehicles.
5. Following a review of Polaris' arrangements for distribution (triggered in part by the upcoming renewal of many of its current Dealer Agreements), Polaris has decided to amend some aspects of its distribution system. This in turn has prompted Polaris to file this notification.
6. The **appropriate email address** for the service of documents relating to this notification is: [REDACTED]

Details of the notified conduct

7. This notification relates to **exclusive dealing** arising under Polaris' Dealer Agreements, specifically as it relates to sections 47(2) and/or (3).
8. Please refer to the Annexure for further information.
9. The **rationale** for the notified conduct: please refer to the Annexure.
10. The **time period** relevant to the notified conduct: please refer to the Annexure.
11. **Documents submitted to the board or prepared by or for senior management in relation to the notified conduct**: please refer to the Annexure.
12. **Names/classes of persons who may be directly impacted by the notified conduct**: please refer to the Annexure.

Market information and concentration

13. **Describe the product/services supplied, the degree of overlap etc**: please refer to the Annexure.
14. **Describe the relevant industry and sales process/supply chain etc**: please refer to the Annexure.
15. **Provide estimated market shares**: please refer to the Annexure.
16. **Describe the competitive constraints**: please refer to the Annexure.

Public benefit

17. Please refer to the Annexure.

Public detriment including any competition effects

18. Please refer to the Annexure.

Contact details of relevant market participants

19. Please refer to the Annexure.

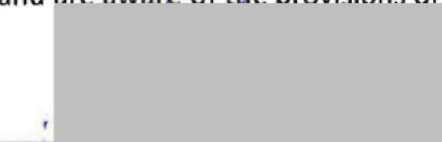
Any other information

20. Please refer to the Annexure.

Declaration by notifying party

The undersigned declare that, to the best of their knowledge and belief, the information given in response to questions in this form is true, correct and complete, that complete copies of documents required by this form have been supplied, that all estimates are identified as such and are their best estimates of the underlying facts, and that all the opinions expressed are sincere.

The undersigned are aware that giving false or misleading information is a serious offence and are aware of the provisions of sections 137.1 and 149.1 of the Criminal Code (Cth).



Signature of authorised person

Managing Director

Office held

Alan Collins

(Print) Name of authorised person

This 21st day of December 2021.

ANNEXURE

Details of the notified conduct

21. As noted in the body of the accompanying Form, this notification relates to exclusive dealing.
22. Polaris' Dealer Agreements typically operate over 2 years, with approximately one half of agreements coming up for renewal in any given year.
23. On 1 February 2022, approximately half of the current Dealer Agreements come up for renewal and Polaris proposes to offer to these Polaris Dealers an updated Dealer Agreement.

24. It is intended that the updated Dealer Agreement will provide:

'12.1 The Dealer must not be involved, either directly or indirectly, in a franchise or arrangement to sell or service products similar to the Products without first having obtained Polaris' written consent.'

'12.2 Polaris can withdraw its consent given under clause 12.1, on reasonable notice given to the Dealer. The Dealer must cease its involvement in the other franchise or arrangement within the period of time set out by Polaris in the notice.'

25. The current Dealer Agreements provide:

'12.1 The Dealer must not be involved, either directly or indirectly, in a franchise or arrangement to sell or service products similar to the Products without first having obtained Polaris' written consent.'

12.2 Polaris may provide its written consent under clause 12.1 if, in the reasonable opinion of Polaris, the Dealer's involvement in another franchise will not limit, restrict or compromise in any way, the Dealer's ability to perform its obligations under this Agreement.

12.3 Polaris may withdraw its consent given under clause 12.2 at any time if, in the reasonable opinion of Polaris, the Dealer's involvement in another franchise limits, restricts or compromises in any way, the Dealer's ability to perform its obligations under this Agreement.

12.4 If Polaris withdraws its consent given under clause 12.2, the Dealer must cease its involvement in another franchise within the period of time set out by Polaris in the notice.'

26. In both Dealer Agreements:

'Products' means 'Parts, and Vehicles as amended and notified in writing by Polaris to the Dealer from time to time'.

and

'Parts' means:

(a) a Polaris part, accessory, garment, apparel, merchandise or oil that was originally sold in Australia by Polaris; or

(b) a part, accessory, garment, apparel, merchandise or oil that has been approved in writing by Polaris for sale by the Dealer in Australia,

that has never been used, or, with Polaris' written consent, has been used and reconditioned.

'Vehicle' means the vehicles specified in Item 10 of the Schedule.

27. In relation to Dealer Agreements entered into following the filing of this notification, notification is sought in respect of conduct and proposed conduct arising under both section 47(2) and 47(3).
28. Polaris acknowledges and understands that the protection afforded by a notification does not apply retrospectively. As such, for Dealer Agreements on foot as at the time of the filing of this notification, Polaris asks the protection extend only to proposed conduct falling under the auspices of section 47(3). In other words, the notification would have effect only to the extent that Polaris does not provide consent in accordance with the provision set out in paragraph 25.
29. While such an arrangement is not as orderly as would be ideal, it reflects the reality of all Polaris dealers being subject to essentially the same terms, in circumstances where – due to the roll over arrangements – the introduction of a new Dealer Agreement will always occur while a significant number of old Dealer Agreements remain on foot.
30. The rationale for the change in the Dealer Agreement and for Polaris to be able to withhold its consent to requests made by Polaris Dealers under the current Dealer Agreement (subject to clause 12.2) is to ensure the efficient and effective distribution of the Polaris Products in a manner which protects the integrity of the Polaris trade marks¹ as well as Polaris' brand and standing in the market.
31. The **following classes of persons are likely to be impacted** by the notified conduct: actual and prospective Polaris Dealers. The notified conduct is unlikely to affect end-users or consumers in any significant way.
32. There are no **documents** (excepting privileged legal advice) which were submitted to Polaris' board or prepared by or for the notifying party's senior management for the purposes of assessing or making a decision in relation to the notified conduct, nor any minutes or record of the decision made.

¹ To this end, we note the provisions under the *Trade Marks Act 1995* (Cth) relating to the use of trade marks "under the control of the owner" (see for example s8). Where control cannot be demonstrated, a trade mark may be in danger of cancellation or removal.

About Polaris

33. Polaris Products have been available in Australia since 1990. Polaris Industries Inc. took over the distribution of Polaris Products in Australia in 2002, establishing Polaris as a wholly owned subsidiary. Polaris Industries Inc. is a global leader of powersports products, headquartered in Minnesota USA, and listed on the NY stock exchange.
34. Polaris' Head Office is based in Derrimut, Melbourne, with additional staff located across the country. Polaris currently has 44 employees.
35. In addition to Polaris Products, Polaris also imports and distributes Indian motorcycles and some small specialised commercial vehicles. The Indian motorcycles are large 'touring' type motorcycles and are completely different to the Polaris Products. The commercial vehicles are, likewise, completely different to the Polaris Products.
36. Polaris manages all aspects of the international sourcing of the Polaris Products and then arranges for the Polaris Products, which have been ordered by Polaris Dealers, to be delivered to them.
37. Polaris, like many other importers, carries out advertising at its cost. Generally, this advertising concentrates on the brand: that is, the reasons why a Polaris Product (most often, a Polaris Vehicle) would be a suitable purchase choice for consumers. Polaris also undertakes other marketing activities, such as ride days etc.

The products

38. ORVs comprise side-by-side vehicles and ATVs. ORVs are designed for off-road use only. In contrast to motor vehicles, therefore, they are not capable of being registered, nor are they required to comply with the Australian Design Rules.
39. ORV's range in price from approximately \$8,000 to \$40,000.
40. More than 80% of ORVs are sold to, and used by, people in the agricultural sector. They are used for activities such as transport within farms and are able to perform functions such as towing a trailer, weed spraying, rounding up stock etc.
41. ORVs are also used recreationally – that is, by people riding them for pleasure on private property. Less than 20% of ORVs are used for this purpose.
42. Polaris does not break down consumers beyond the broad categories of 'agricultural users' and 'recreational users'.

ORVs as opposed to motorbikes

43. ORVs have 4 wheels, unlike motorbikes that have only 2 wheels. This means that ORVs and motorbikes are used for very different purposes. Motorbikes do not have the same stability as an ORV and cannot, for example, be used to tow a trailer or carry any equipment.

ORVs as opposed to 4WDs

44. Most four wheel drive vehicles, while having 4 wheels, are used for different purposes to ORVs. While there can be overlap in the uses of four wheel drive vehicles and ORVs (for example, both can be used for performing functions such as towing a trailer or carrying equipment), four wheel drives can legally travel on public roads while ORVs cannot. Four wheel drive vehicles are also typically more expensive than ORVs, with a small new four wheel drive costing at least \$30,000².

The different types of ORVs

45. There are a number of differences between ATVs and side-by-side vehicles. For example, most of the larger side-by-side vehicles are more powerful than ATVs and can carry heavier loads. They can also carry more than one person. ATVs can only (legally) carry one person. Side-by-side vehicle can generally travel faster than ATVs and are more 'car like'. ATVs are more 'motorbike like'.

46. Nonetheless, for many purposes, ATV and side-by side vehicles can be used to perform the same functions. For example, they can be used to round up stock and to transport people and small loads.

47. Prices of ATVs generally range from \$8,000 to \$15,000, whereas side-by-side vehicles typically range from \$8,000 to \$42,000.

48. As such, in Polaris' experience, a significant proportion of customers would consider ATVs and side-by-side vehicles to be substitutes, with their ultimate purchase choice determined by the potential range of uses they may have in mind weighed against the cost differential. As such, both types of vehicles exercise clear competitive constraint on the other and they are typically treated jointly in reporting by, say, the Federal Chamber of Automotive Industries (FCAI).

Polaris Vehicles

49. Until March 2020, Polaris imported and distributed both ATVs and side-by-side vehicles. Polaris now only imports and distributes side-by-side vehicles. Its side-by-side product range has steadily increased over the last few years and is currently 39 side-by-side models. This is expected to increase to 45 in 2022.

50. Polaris Products are recognised as premium products. Polaris Vehicles have recommended retail prices of approximately \$8,000 to \$42,000. Most of the Polaris models have recommended retail prices at the high end of the range.

Getting ORVs to market

51. All ORVs sold in Australia are manufactured overseas. For example, the Polaris Products are manufactured in America, Europe and Asia.

² For example, a Suzuki 2021 Jimny has an indicative drive away price on CarSales.com of \$30,987.

52. ORVs are therefore imported into Australia by a local distributor. For example, Polaris Products are imported by Polaris. The distributor then then sells them through a network of appointed authorised dealers. The dealers in turn sell the ORVs to the public.
53. The distributors also import and distribute parts and accessories in the same way.
54. In the case of Polaris Products, ORVs are transported by sea to the major ports in Australia and, from there to warehouses and then to the Polaris Dealer who has ordered the ORV. Commercial third party carriers are used. As far as Polaris is aware, this model is the same for all importers of ORVs.
55. Since the COVID-19 pandemic, there have been supply problems because of disruptions to the manufacturing plants and shipping and logistics companies. It is unclear how long this will continue but, assuming the pandemic is beginning to diminish at least in the developed world, these disruptions should reduce. To the best of Polaris' knowledge, disruptions in the supply chain have affected the industry evenly, with no particular competitor better placed than others in getting their products to Australian customers.

Dealers

56. Dealers are independent businesses that have multiple complementary business activities, most of which are not in competitive product fields. For example, a dealer that sells ORVs may also sell cars or tractors.
57. The vast majority of dealers are independently owned – that is, the Australian ORV importer does not operate a retail presence.
58. Dealers carry a representative range of products to show and demonstrate to consumers, and also service ORVs. Other than repairs and service done under a 'manufacturer's warranty'³, dealers are generally able to service and repair ORVs regardless of the brand.

Polaris Dealers

59. Polaris currently has 85 Polaris Dealers across Australia. In 2019, it had 78 and in 2020, 82. Polaris expects that this incremental increase in the number of Polaris Dealers will continue subject, of course, to unexpected developments such as the impact of the COVID-19 pandemic on the supply chain.
60. All of the Polaris Dealers are independent – there are no dealerships owned by Polaris. As far as Polaris is aware, none of the other ORV importers have a retail presence.
61. Polaris selects Polaris Dealers based upon the sales opportunity within their region, businesses experience, skillset and capability to finance, sell and service the demand for Polaris Products and customer aftersales service. Polaris Dealers are granted a territory

³ An express warranty provided by the importer/distributor, as distinct from the statutory warranties arising under the ACL.

in which they operate, which reflects the combined views of Polaris and the Polaris Dealers as to the available “catchment” area for consumers.

62. The size of the regions allocated to Polaris Dealers differ depending on the sales opportunities. Polaris’ rule of thumb is to have approximately a 4 hour drive between Polaris Dealers but this varies region by region.
63. For Polaris to maintain its position as a market leader in ORVs, it has invested, and will continue to invest, significantly in the training and support of Polaris Dealers. Polaris Dealers are supported by Polaris across all areas - sales, marketing, technical, warranty, parts and accessories. This enables the Polaris Dealer to provide prospective customers with the premium experience commensurate with Polaris’ reputation in the market.
64. In return, Polaris requires its Polaris Dealers to invest in their own business through the upkeep of appropriately presented and maintained retail outlets and the engagement of well-trained and knowledgeable staff. Further requirements are imposed, in order to ensure that prospective customers can easily assess their different options.
65. Polaris Dealers’ obligations are set out in a Dealer Agreement, which incorporates the Polaris Dealer Operations Manual. The Operations Manual is reviewed every 12 months or so but is typically a stable document. It sets out, in some detail, Polaris’ expectations of how Polaris Dealers present the Polaris brand, including minimum requirements for carrying a stock of Polaris Products and arranging the Polaris Dealers’ display space. These minimum requirements are contained in a table in the Dealer Operations Manual. The table is extracted and attached as Schedule 2.
66. A small number of the Polaris Dealers currently operate other ORV franchises. Polaris does not intend to change this as a result of this notification.
67. Servicing the Polaris Products is an important source of revenue for Polaris Dealers. Polaris supports this servicing activity with technical training, parts and accessories and warranty support to ensure consumers receive a premium service.

Leading brands & importers

68. The importation and wholesale distribution of ORVs is extremely competitive, characterised by multiple participants and low barriers to entry.
69. Leading competitors operate highly effective distribution networks across the country, as described in further detail below at paragraph 70.

Market concentration

70. Estimated sales figures for the major importers of ORVs are set out below:

Competitors	Number of dealers in Australia	ORV sales – 12 months to Oct 2021
Yamaha	81	8161
Honda	121	7277
Polaris	85	5843
Can-Am	51	2854
Kawasaki	79	2576
CFMOTO	59	2000
Kymco	36	1000
Kubota Utility Vehicles	169	1300
John Deere	58	700
Hisun	25	500
TGB	20	500
Segway Powersports	20	200

71. Most Australian ORV importers contribute their monthly sales data to the FCAI. The FCAI then consolidates the data and reports it back to the contributing importers. It is the best data available on the ORV market in Australia. The figures for the first 5 importers in the table (Can-Am, Honda, Yamaha Polaris and Kawasaki) are from the FCAI.

72. Other ORV importers, especially small importers, choose not to share industry data with the FCAI. The other 7 importers in the table do not share their data with the FCAI. The figures in orange are Polaris' best guess, based on market intelligence and the experience gained from its many years operating in Australia.

73. Polaris also contributes its monthly sales data to the FCAI.

74. The following table outlines the total ORV market in Australia⁴ and Polaris' sales figures for 2019, 2020 and 2021:⁵

	12 months to Oct 2019	12 months to Oct 2020	12 months to Oct 2021
Number of ORVs sold in the market	17802	24128	27971

⁴ According to the FCAI

⁵ As reported to the FCAI.

Number of Polaris Products sold by Polaris	4942	6066	5843
Polaris' market share within the ORV market	28%	25.1%	20.9%

75. As can be seen from these consolidated numbers, Polaris' overall market share has dropped in recent years. Polaris attributes this to the highly competitive nature of ORV sales in Australia, characterised by government stimulus and significant new entry.
76. Polaris expects its ORV sales numbers in Australia to remain relatively stable over the next five years or so, with internal estimates assuming an overall increase in sales of around 10% over the next five years.
77. Accordingly, Polaris expects its overall proportion of total ORV sales in Australia to remain relatively stable in the foreseeable future.
78. As also shown by the consolidated data, the overall number of ORVs sold in Australia over the last 3 years has increased significantly. This is because of a number of factors. One major factor has been that over the last few years, the agricultural sector has been enjoying very favourable economic conditions⁶. Also, there was a subsidy given by Worksafe of \$1,000 for each side-by-side purchased.
79. The sale of ORV accessories is an important component of the ORV business. In the case of Polaris, ORV accessory sales account for approximately 15% of its total ORV turnover. Figures are not available for the other ORV importers, but Polaris would expect its data reflects the position of other importers/distributors in Australia.

Polaris' customers

80. As noted above, Polaris principally distributes the Polaris Products via its Polaris Dealer network. Polaris' major customers (ie the Polaris Dealers) are set out in the table below:⁷

Polaris Dealer	State	Polaris Annual Volume of ORV Sales
Australian Chainsaw Products	TAS	172
Dubbo City Motorcycles	NSW	161
Motor Cycle Accessories Campbelltown	NSW	131
Ultimate Polaris Springwood	QLD	128
Elders Rural Service Albury	NSW	124
Wide Bay Motorcycles	QLD	120

⁶ See for example ABARES press release 2 March 2021; 'Farm cash income for broadacre farms is projected to increase by around 18 per cent at the national level to average \$184,000 per farm in 2020-21'

⁷ Figures are based on the October 2020 – September 2021 sales period.

Capital 4WD Center Pty Ltd T/A Eagle Powersports	NSW	118
Nowra Motors (O2 Auto Sports)	NSW	113
Peter's ATV And Outdoor Power Equipment	QLD	106
Farm & Garden Products	QLD	104

81. Most of these dealerships operate other franchises. The only one that operates another ORV franchise is Wide Bay Motorcycles which is also a Honda ORV franchisee.

Others

82. Polaris, like other ORV importers, sells ORVs directly to large customers (called 'fleet customers'). Polaris' major fleet customers are SG Fleet, Department of Defence, RCR International, OLAM International, Parks Victoria, National Zoo and the Department of Primary Industries WA. Such customers will be unaffected by the notified conduct.

Retail customers and Polaris Dealers

83. ORV dealers (including Polaris Dealers) have 3 main sources of income: from the sale of new and possibly used ORVs, from the servicing and repair of ORVs, and from accessories. Some dealers might also offer finance and insurance. As noted above, some dealers might also sell (and service) products which might be considered "adjacent" to ORVs, such as tractors or other motor vehicles.

84. Dealers attract customers through the traditional ways: advertising, sponsorships, promotions, connections and word of mouth. Increasingly, retail customers are utilising the internet and such sites as Bikesales to become informed about the type of ORV they want and the price they are prepared to pay.

85. Because most ORVs are sold to customers in or associated with the agricultural sector, most ORV dealers are located outside the capital cities. They are not large operations, like a car dealer. For example, the largest Polaris Dealer sells less than 200 units a year. The largest ORV dealer in Australia is unlikely to be selling more than approximately 400 units a year from a single dealership. Consequently, the money available to a dealer for marketing activities is limited. For example, television advertising of ORVs is unusual. This in turn means that support from the wholesale distributor is even more important to the financial success of a dealer (see above at paragraph 63).

Competitive constraints

86. ORVs are not capable of being registered and are not required to comply with the Australian Design Rules, as is the case for motor vehicles. This means that there are no real regulatory barriers to being able to import ORVs into Australia, unlike motor vehicles.

87. Not only are there no regulatory barriers to importing ORVs, there are very few, if any, practical barriers to importing and distributing ORVs. This is borne out by the relatively

quick entry into the market of a number of new brands (including Segway, TGB, HiSun, CFMOTO and Kymco) over the last couple of years.

88. The market for the wholesale supply of ORVs is characterised by low barriers to entry: ORVs are manufactured in substantial quantities overseas and are quick and easy to import. They can be imported (cost effectively) on an ongoing basis or as and when the need arises. Import shipments have a lead-time of approximately 6 months. Polaris, like other importers, provides manufacturing facilities with annual, quarterly and monthly forecasts of demand. This demand is planned and allocated.
89. Normally, Polaris will carry approximately 3 months' demand of Polaris Products across its domestic distribution centres around Australia and New Zealand. This is a general industry standard, and Polaris Dealers normally also carry stock as they determine necessary to supply their local demand.
90. The preceding paragraph is subject to one qualification: the COVID-19 pandemic has had a detrimental impact on the ability of all manufacturing plants to produce the required volume of product. The pandemic has also has an impact on logistic and shipping companies. This means that stock is in short supply and all ORV importers are suffering. It is expected/hoped that once the pandemic is under control, these constraints will disappear.
91. As mentioned above, small four wheel drive vehicles can also be used for similar purposes to ORVs, with the added benefit of being capable of use on roads. This means small four wheel drive vehicles can compete with ORVs in the market.

Public benefit

92. The public benefit likely to result from the notified conduct will be in the form of the continuation of the efficiency benefits that derive from an effective and efficient distribution system, appropriately controlled to ensure consumers can readily assess their available options in an environment which is highly compliant (both from a safety and ACL perspective) and subject to ongoing oversight.
93. From a Polaris Dealer's perspective, such arrangements allow them to outsource their marketing costs (and general brand advocacy), and will assist in security of supply (as a close relationship with Polaris will allow for better forecasting of requirements). The usual attendant benefits of volume-based purchasing will also follow.
94. The value of such benefits will of course be passed onto customers. In addition, the notified conduct will assist consumers to reduce their transaction costs (as customers are more likely to buy the product they need).

Public detriment including any competition effects

95. Given the highly competitive nature of the importation and wholesale distribution of ORVs in Australia, Polaris submits that there will be **no harm** to competition arising from the notified conduct. In addition, the notified conduct gives rise to no other detriment to the public, whether in the way of competition or otherwise.

Contact details of relevant market participants

96. The key importers/distributors of ORVs are listed in Schedule 3, along with contact information and other relevant details.

97. The key Polaris Dealers are listed in Schedule 4, along with contact information and other relevant details.

Any other information

98. In light of the information set out above, Polaris submits that the ACCC should find that the conduct and proposed conduct described in this submission does not (and would not) have the purpose or likely effect of substantially lessening competition within the meaning of section 47. If the ACCC concludes that there is an adverse effect on competition, Polaris further submits that the ACCC should find that the benefits to which the conduct or proposed conduct gives (or is likely to give) rise outweigh any detriment to the public that would or be likely to result from it.

SCHEDULES

Schedule 1 ATV and Side-by-side Examples (defined terms)

Example of ATV



Example of side-by-side vehicle



Schedule 2 Dealer Operations Manual (paragraph 65)

MINIMUM STANDARD	Category 1	Category 2
ANNUAL BUSINESS PLAN		
Completed and provided to Polaris on time	✓	✓
TRADING HOURS		
Minimum 5.5 days per week	✓	✓
PRODUCT MARKETING		
Staff Are Product Specialists – have completed Polaris Sales Training and Product Training accreditation	✓	✓
Polaris Products Inventory		
Maintains recommended inventory quantity and model mix	✓	✓
Dedicated Polaris Display area Dealers must have an adequate display area within their dealership to effectively display their entire required stock holding as outlined in clause 3.1. This means that the display area must be exclusive to Polaris products and must be large enough for customers to be able to interactively view units, including having the space to enter and exit display units. The display area must be the greater of 5 sqm for each required stock unit and 120 m ² for Category 1 dealers or 60m ² for category 2 dealers. At a minimum, 25% of a Dealers minimum stock holding must be displayed within a Dealer's internal premises.	The greater of 5 sqm for each required stock unit and 120 m ²	The greater of 5 sqm for each required stock unit and 60m ²
Display stock Is consistently maintained in showroom condition with current Polaris POS collateral	✓	✓
Demonstrators Are not mandatory but are preferred. Refer Demonstrator Program	Preferred	Preferred
Finance & Insurance Has Polaris F&I accreditations	✓	✓
Polaris Retail Sales Promotions Actively participates in all Polaris retail sales promotions	✓	✓
Digital Marketing Active user of DM for lead generation and leverages Polaris recommended DM collateral	✓	✓
Social Media Active user of SM for lead generation and leverages Polaris recommended SM collateral	✓	✓
Dealer Website Has contemporary website with Polaris focus, current Products and Chat application	✓	✓
Field Days Actively participates in all local and Polaris direct events	✓	✓
PMA Marketing & Sales Activity Plan Executes on monthly / quarterly plan agreed with RDM	✓	✓
In PMA advertising Consistently invests recommended \$'s monthly in local area marketing	✓	✓
Co-Op advertising Active program user and complies with program terms and conditions	✓	✓
Target Achievement Consistently achieves retail volume and market share targets	✓	✓
PARTS, GARMENTS & ACCESSORIES		
Slat Wall Display Fully stocked at all times with current Polaris products only in showroom condition	Minimum 4.8 metres	Minimum 2.4 metres
Hero Unit Polaris unit fitted with minimum 8 genuine Polaris accessories at a minimum of \$3000 Dealer Cost, representing top selling accessory range	Minimum 2 Hero Units	Minimum 1 Hero unit
Polaris oil display stand stocked with Polaris products only and in showroom condition	✓	✓
Accessory Display Must display top 10 fastest moving accessories, and Ranger lock & ride, screen and roof	✓	✓
Stock Order Consistent user of stock order program	✓	✓
Brochure / catalog and POS collateral Is stocked and materials current	✓	✓
FACILITIES		
Contemporary retail facility with exceptional housekeeping. Organised and clean facility including external areas	✓	✓
SERVICE		
Polaris Special Tools has all recommended special tools in working order	✓	✓
MSD certification relevant certifications achieved for right staff	✓	✓
Workshop service and repair floor area	150 m ²	100 m ²
Holst – 2 post or 4 post. Lift stands are not suitable	✓	✓
Secure & Organised Warranty Parts Storage Is available and displaced parts are properly tagged	✓	✓

MINIMUM STANDARD	Category 1	Category 2
Polaris Digital Wrench Has current version / patches installed and working Digital Wrench cable	✓	✓
Service Reports Uploads service reports on all Vehicles when in for service / repairs	✓	✓
Warranty Audit Last audit has no chargebacks recommended	✓	✓
SYSTEMS & FINANCIAL		
DMS Operates recognised DMS	✓	✓
CRM Operates recognised CRM system – can be module of DMS	✓	✓
Floor Plan Facility Has an open floor plan limit for Products which is at least 2.5 times the dealer buy price of the minimum number and model of Vehicles to be held as inventory as notified by Polaris in accordance with clause 3.1.	✓	✓
Working Capital Has working capital of >= 1.25:1	✓	✓
Polaris Trading Account The dealer account is paid in full on time	✓	✓

Schedule 3 Key ORV importers/distributors (paragraph 96)

Competitors	Websites	Origin
Can-Am	https://can-am.brp.com/	Canada
Honda	https://www.honda.com.au/	Japan
Yamaha	https://www.yamaha-motor.com.au/	Japan
Kawasaki	https://www.kawasaki.com.au/en-au/	Japan
CFMOTO	https://www.cfmoto.com.au/	China
John Deere	https://www.deere.com.au/en/index.html	USA
Kymco	https://kymco.com.au/	Taiwan
Kubota Utility Vehicles	https://kubota.com.au/	Japan
Hisun	https://parklandspowerproducts.com.au/products/filter/brand/hisun	China
TGB	https://argoatv.com.au/	Taiwan
Segway Powersports	https://segwaypowersports.com.au/	China

Schedule 4 Key Polaris Dealers (paragraph 97)

Polaris Dealer	Website	Address	Phone
Australian Chainsaw Products	https://australianchainsaws.com.au/	3 Connector Park Drive, Kings Meadows TAS 7249	03 63430 404
Dubbo City Motorcycles	https://www.facebook.com/dubboacitymotorcycles/	11 Victoria Street, Dubbo NSW 2830	02 6882 8884
MCA Motorcycles	https://www.mcas.com.au/campbelltown-store.html?gclid=EAlaIQobChMIqJiTucDm9AIVR2oqCh2Lpw44EAAYASAAEgJ5SvD_BwE	34 Queen Street, Campbelltown NSW 2560	02 4625 7700
Ultimate Polaris Springwood	https://www.ultimatepolarisspringwood.com.au/	76 Moss St, Springwood QLD 4127	07 3193 1688
Elders Rural Services Australia	https://www.polarisalbury.com.au/	297 Schubach St, Albury NSW 2640	02 6021 3355
Wide Bay Motorcycles	https://widebaymotorcycles.com.au/	2 Hall Rd, Glanmire QLD 4570	07 5483 8063
Capital 4WD Center Pty Ltd T/A Eagle Powersports	https://eaglepowersports.com.au/	30 Bridge St , Tamworth NSW 2340	02 6762 7458
Nowra Motors	https://o2autosports.com.au/polaris/	270 Princes Highway, South Nowra NSW 2541	02 4423 0977
Peter's ATV And Outdoor Power Equipment	https://petersatv.com.au/	417 Mulgrave Rd, Earlville QLD 4870	07 4051 0022
Farm & Garden Products	https://www.farmandgarden.com.au/	396 Yaamba Road, Rockhampton North QLD 4701	07 4926 1414