



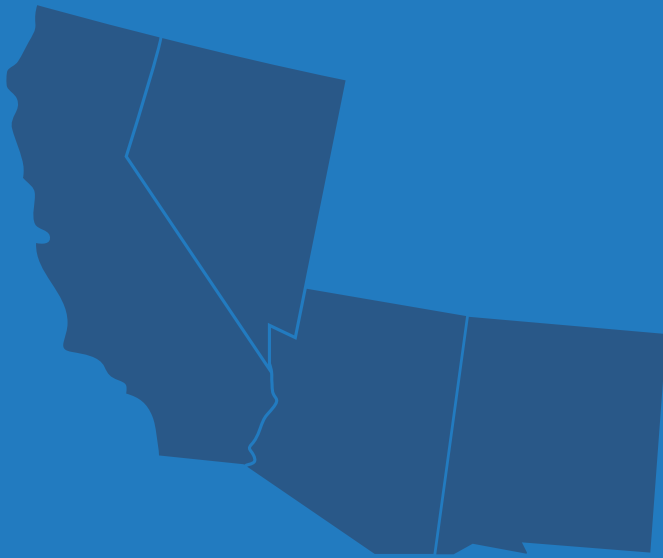
Precision  
Agriculture



# 2025

## Preferred Partner Program

Netafim Agriculture Dealers



This program is valid only in the following states:

- Arizona
- California
- Nevada
- New Mexico

## Welcome to the 2025 Preferred Partner Program

At Netafim North America, we are proud to partner with the best dealers in the industry. Your feedback has been invaluable in shaping the evolution of our Preferred Partner Program, and we're excited to share that overall satisfaction with the program reached an impressive 4.2 out of 5 in our recent dealer survey. We are grateful for your partnership in driving mutual growth and strengthening our commitment to serving growers across the U.S. and Canada.

In 2024, the Preferred Partner Program was designed to reward our top-performing dealers who demonstrate full partnership with Netafim, and we're committed to continuing this approach in 2025. Your input highlighted the importance of simplifying rebate calculations and providing better tools to track and estimate earnings. To address this, we plan to introduce enhanced dashboards and tools during our 2025 account planning meetings, helping you monitor progress and maximize your earnings potential throughout the year.

This year, our focus remains on building strong joint business plans, engaging in grower prospecting, and delivering cutting-edge solutions to the market, including our **GrowSphere™** Operating System. By refining the rebate program and transitioning to a limited distribution model, we're concentrating our resources on Diamond and Preferred Dealers, ensuring we bring exceptional value to both our dealer partners and the growers we serve.

The following pages outline the details of the 2025 Preferred Partner Program. While many aspects of the program remain consistent, we have introduced tools and resources to simplify participation and added features to further incentivize partnership and growth.

Thank you for your trust and dedication as we work together to grow our businesses and deliver innovative irrigation solutions to growers. Here's to a successful 2025!

**The following pages outline the 2025 Preferred Partner Program. This document is composed of six primary sections:**

1. Overview of Dealer Classification Categories
2. Eligibility requirements for Dealer Classification Categories
3. Netafim Partnership Commitments
4. Financial Incentives
5. General Program Terms

# Dealer Classification Categories

Consistent with our approach in 2024, Netafim North America will be classifying dealers into three distinct categories designed to differentially reward dealers for their loyalty and partnership.

Diamond	Preferred	Gold
Exclusive category reserved for our dealers that go to market in full partnership with Netafim.	Full service dealers that support Netafim above all other competitors in the marketplace, purchase a minimum of 60% of their dripline from Netafim, and place special emphasis on growing Netafim's system component market share.	Dealers that purchase a minimum of 60% of their dripline from Netafim.

# / Dealer Eligibility By Category

## Gold Dealer:

- Minimum purchase requirement of \$1 million.
- Dealer must purchase a minimum of 60% of their dripline from Netafim.
- Commitment to business planning in conjunction with your Netafim Dealer Relationship Manager utilizing the Netafim Dealer Planning template.
- Dealer will be required to submit a territory worksheet prior to January 31, 2026 indicating Netafim percentage of Dealer's extruded product purchases.
- If Dealer's account is past due at the end of the month, all purchases made during that month will not be eligible for rebate calculations. This includes calculations to determine Dealer Classification Category and calculations of Volume Rebates.

## Preferred Dealer:

All the requirements of a Gold Dealer plus the following:

- Minimum purchase requirement of \$1.5 million.
- Joint grower prospecting with your Dealer Relationship Manager focused on growers who are not currently utilizing drip irrigation or are purchasing most of their drip irrigation products from a manufacturer other than Netafim.
- Host grower events and field days in conjunction with Netafim to promote best agronomy practices and introduce new products. The quantity and content of these events to be agreed upon during joint business planning with Netafim Dealer Relationship Manager.
- Attend annual Netafim product training either at a Netafim University or via the many field training events Netafim sponsors throughout the year.
- At least 20% of the dealer's total 2025 purchases from Netafim shall be in non-extruded products (extruded products are thinwall dripline, heavywall dripline, and PE tubing). (Exceptions can be made by joint agreement with Netafim Dealer Relationship Manager for Dealers operating primarily in "retape" markets. Exceptions must be clearly documented in the joint business plan and agreed upon by March 31, 2025.)





### **Diamond Dealer:**

All the requirements of a Preferred Dealer plus the following:

- Minimum purchase requirement of \$2.0 million.
- Dealer must purchase a minimum of 97% of their dripline from Netafim.
- Prominent outdoor signage promoting both Diamond dealer and Netafim. Ability to provide sufficient geographic coverage including density of locations and sales team size.
- Ability to hold sufficient inventory and demonstrated sales growth.
- Ability to promote, sell, and deliver the full Netafim product and service portfolio including ability to diagnose and service field problems, ability to provide full system installation and design, and ability to launch and promote new products.
- Ability to attract and retain sufficient talent through competitive salary and benefits packages and ability to create a purpose driven working environment.
- Ongoing healthy financial performance & capable financial management.
- Ability and willingness to invest for growth and expand sales coverage to develop new markets.
- Joint marketing efforts including joint grower field days & co-branded signage at installations.
- Regular attendance of Netafim product training events.
- Dealer's outstanding account balance must be current to qualify for rebate calculations and maintain status: if an account is past due at the end of the month, all purchases made during that month will not be eligible for rebate calculations, including Dealer Classification Category and Volume Rebates. Additionally, Diamond Dealers must ensure their accounts are current at the end of each quarter (March 31st, June 30th, September 30th, December 31st) to retain their status; otherwise, all rebate calculations will default to Preferred Dealer rates for all 2025 rebate calculations.

**Important Dealer eligibility requirements are summarized in the table below:**

	<b>Diamond</b>	<b>Preferred</b>	<b>Gold</b>
3-year average minimum purchase	\$2,000,000	\$1,500,000	\$1,000,000
Minimum annual dripline revenue purchased from Netafim	97%	60%	60%
Physical space requirement	1 mo. Inventory	1 mo. Inventory	1 mo. Inventory
Commitment to joint business planning	Required	Required	Required
Collaboration on promotional marketing efforts	Required	Required	Required
Joint grower prospecting for non-Netafim conversions	Required	Required	n/a
Host grower events and field days	Required	Required	n/a
Attend annual Netafim product training	Required	Required	n/a
Minimum 20% of 2024 purchases must be non-extruded products	Required	Required	n/a
Actively increase Netafim share of non-extruded products	Required	Required	n/a
Capability to design new systems	Required	Required	n/a
Early adoption of Netafim products	Required	Required	n/a
Ability to diagnose and service field problems	Required	Required	n/a
Full system installation capabilities	Required	Required	n/a
Outside sales capabilities	Required	Required	n/a
Must demonstrate ability to provide sufficient geographic coverage	Required	n/a	n/a
Must demonstrate willingness to invest for growth and expansion	Required	n/a	n/a



# Netafim Partnership Commitments

## Gold Dealer:

- Revenue Based Rebate Opportunity
- Territory Incentive Rebate Opportunity

## Preferred Dealer:

All the commitments above plus the following:

- Sales and agronomy resources from Netafim to develop new applications of drip irrigation or extend the Netafim brand into geographies that have been historically underserved by Netafim.

## Diamond Dealer:

All the commitments above plus the following:

- Annual training assessment for your team and access to Orbia training resources including sales training, territory management, financial management, marketing, etc. Custom curriculum to be determined during business planning with your Dealer Relationship Manager.
- Preferred installation partner for Netafim Services projects.
- Preferred partner for Netafim Greenhouse Construction projects.
- Priority access to new products including limited distribution in specific instances.
- Access to Netafim Global Irrigation Design resources and tools.
- Discounted Grower & Inventory Financing Tools.
- Priority partner for all grower leads generated by Netafim and Netafim Non-Dealer Partners.
- Access to shared platform allowing collaboration including lead delivery from Netafim marketing efforts, dealer pipeline management, and joint business planning driving mutual growth and success. (Expected Launch in H2 2025)
- Regulatory and advocacy support for government grants which will enable market access in emerging markets.
- Partnership opportunities with global food, private equity, technology, and consumer goods companies currently served by Netafim.

The Netafim commitments are summarized in the table below:

	Diamond	Preferred	Gold
Revenue Based Rebate Opportunity	Yes	Yes	Yes
Territory Incentive Rebate Opportunity	Yes	Yes	Yes
Access to Netafim dealer portal	Yes	Yes	Yes
Annual training assessments	Yes		
Resources to develop new markets	Yes	Yes	
Priority access to new products	Yes	Yes	
Preferred installation partner for Netafim Services	Yes		
Preferred partner for Netafim Greenhouse Projects	Yes		
Access to Netafim Global Irrigation Design tools	Yes		
Discounted Grower & Inventory financing tools	Yes		
Priority access for all grower leads	Yes		
Advocacy support for govt. grants for emerging markets	Yes		
Partnership opportunities with corporate companies served by Netafim	Yes		





# Financial Incentives

The 2025 Netafim Preferred Partner Program provides three financial earnings opportunities for dealers that choose to purchase a minimum of 60% of their dripline products from Netafim. Each specific earnings opportunity is summarized below, as well as the measurement criteria for meeting the 60% minimum. Dealers who do not meet the 60% minimum purchase requirement will not be eligible to receive a rebate from Netafim.

## 1. Revenue Based Rebate determined by 2025 Purchases.

- A tiered purchase rebate to differentially reward our best partners for their purchases throughout the 2025 season. This rebate is tiered based on Dealer Classification Category and total purchases as shown in the table below.
- Diamond Dealers are exempt from the tiered purchase requirements outlined for the revenue-based rebate and will earn a flat 5% on purchases.
- Paid on all purchases of Netafim products in 2025 excluding Greenhouse Construction Projects. Rebate earnings are not subject to a growth component and begin accruing upon the first purchase of 2025.
- Payments will be made in July 2025, and again in January 2026. The rebate will be calculated based upon the Dealer Classification Category earned in 2024. In the event a Dealer changes classification category any time in 2025, rebates will be adjusted accordingly, solely at the discretion of Netafim.

		Diamond	Preferred	Gold
Min	Max			
\$0	\$1,000,000	5.00%	0.00%	0.00%
\$1,000,001	\$1,500,000		0.00%	0.50%
\$1,500,001	\$2,500,000		1.00%	0.625%
\$2,500,001	\$5,000,000		1.50%	0.750%
\$5,000,001	\$10,000,000		2.00%	0.875%
\$10,000,001	\$15,000,000		2.50%	1.000%
\$15,000,001	above		3.00%	1.125%





## 2. Territory Incentive determined by 2025 purchases of Netafim dripline products as a percentage of Dealer’s overall dripline purchases.

- This incentive is intended to reward our Diamond, Preferred and Gold dealers for selecting Netafim dripline products. For purposes of measurement, dripline includes all thinwall dripline, heavywall dripline, drip tape or other similar product with any form of integral emission device.
- This incentive will be paid on all purchases of Netafim products (Subject to General Program Terms). Incentive earnings are not subject to a growth component and begin accruing upon the first purchase of 2025.
- The territory incentive will be calculated through a confidential self-reporting mechanism. Dealers will not be asked to share specific purchases from other manufacturers. Netafim will only ask for the percentage of overall dripline purchases represented by Netafim.
- To qualify for this incentive, the dealer must agree to provide this information and if necessary, verify information through an independent third-party at the full expense of Netafim. If the dealer does not provide this information or participate in verification procedures as needed, the dealer will not qualify for this incentive. All other incentives associated with the 2025 Netafim Preferred Partner Program will remain in effect.
- The territory incentive will be paid after completion of reporting in July 2025 and again after completion of reporting in January 2026.
- In the event a Dealer’s dripline territory percentage for 2025 impacts their Dealer Classification Category, rebates will be adjusted accordingly, solely at the discretion of Netafim.

Dripline Purchase		Diamond	Preferred	Gold
Min	Max			
\$0	60%	0%	0.00%	0.00%
61%	70%	0%	0.50%	0.00%
71%	80%	0%	0.75%	0.50%
81%	90%	0%	1.25%	1.00%
91%	96%	0%	1.50%	1.25%

# / General Program Terms

- Dealer's outstanding account balance must be current to qualify for rebate calculations and maintain status: if an account is past due at the end of the month, all purchases made during that month will not be eligible for rebate calculations, including Dealer Classification Category and Volume Rebates. Additionally, Diamond Dealers must ensure their accounts are current at the end of each quarter (March 31st, June 30th, September 30th, December 31st) to retain their status; otherwise, all rebate calculations will default to Preferred Dealer rates for all 2025 rebate calculations.
- Total purchases for rebate calculations will be the net invoice value of purchases invoiced in calendar year 2025. Net value of purchases is defined as the gross purchases before rebates but after normal returns, allowances, and discounts.
- The following items and conditions are not considered purchases and are excluded from all rebates in the program:
  - Products not in the current Netafim USA Agriculture or Greenhouse and Nursery Price List and non-traditional AG or GHN products.
  - Any purchases of Netafim products for clients outside of the USA and Canada are excluded from this agreement.
- Netafim reserves the right to apply earned rebates to any past-due amount including finance charges before the rebate is issued. Past due amounts include balances of undisputed invoices.
- All incentive payments will be made in the form of a Credit Memo assigned to the customer account no later than the end of the quarter following the rebate period. If dealer has not provided instructions for applying the credit memo to specific invoices within 30 days of receiving the credit memo, Netafim will apply credits based on invoice age utilizing aging prioritization methodology.
- Any incentives earned under this program apply to calendar year 2025 only.
- Incentives are earned and accrued on product purchases only. Dealer revenue related to Greenhouse Construction Projects is not eligible for incentives offered in the Preferred Partner Program.
- If an existing Netafim dealer is acquired by another dealer in 2025, including those without rebate programs, the acquiring dealer will qualify for all incentives beginning the day the acquisition closes. For incentive calculation purposes, the prior sales history, revenue rebate, and territory incentive, will all be prorated for the portion of the year that the existing Netafim dealer owned the acquired dealer. Following the close of the acquisition, incentives will be calculated on a combined basis and pro-rated as previously described.
- Netafim reserves the right to change, modify, or discontinue this program at any time at the sole discretion of Netafim.
- This program replaces any other dealer program that may have been in place prior to January 1, 2025.



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