



Managed Account Agreement

This document outlines the on-going managed account agreement. It covers the costs involved and what both parties can expect from an on-going relationship. It clearly defines the Pricing Tiers and what Rising Sun Commerce will do in each Tier.

Standard Tasks

When Rising Sun Commerce manages your account we offer these tasks as standard irrespective of what Pricing Tier you are on:

- Customer Service responding to Amazon Japan customer messages in Japanese.
- Listing Q&A responding to questions on listings in Japanese.
- **Listing Monitoring** if listings are inactive we investigate and resolve if we can. If it requires input from the client we assist when needed.
- **Listing Improvements** we update listing copy and images when needed. This includes A+ content.
- Sales Forecast to help understand expected sales, budgets, profitability. Normally a sales forecast is carried out pre-advertising launch.
- Advertising Set-up as per the Rising Sun Engine Explainer video here

PRICING

Our pricing falls under 4 Tiers. The tiers are based on a client's monthly revenue. Every new client starts on Tier 1, irrespective of whether they are launching into Japan or they have an established account with recurring revenue.

Monthly revenue must hit the next Tier's limits for 2 consecutive months before a client moves up to the next Pricing Tier.

A client cannot move down a Tier once they have moved up into a new higher Pricing Tier. This is because there is an ongoing cost (both financial and time) to Rising Sun Commerce at higher Tiers. For example we may implement and manage promotional strategies that require constant maintenance, or we may develop complex ad campaign & custom Brand Store pages that

require a lot of upfront investment and ongoing management, meaning it is not feasible to drop down to a lower Pricing Tier even if revenue drops.

Pricing Tiers

- → Tier 1: \$500/ month Client revenue <\$10,000/month
- → Tier 2: \$1000/ month Client revenue >\$10,000/month <\$20,000/month
- → Tier 3: \$1500/ month Client revenue >20,000/month < \$30,000/month
- → Tier 4: \$1500 + 5% of net profit Client revenue >\$30,000/month

Client Monthly Revenue	Pricing Tier	Fees per month
<\$10,000	1	\$500
>\$10,000 <\$20,000	2	\$1000
>20,000 < \$30,000	3	\$1500
>\$30,000	4	\$1500 + 5% net profit

^{*} You cannot move down a Pricing Tier, you can only move up.

Here is an example of Net Profit calculation - screenshot from <u>SellerBoard</u>

> Sales	\$27,328.32
> Units	1,749
Promo	\$-325.75
> Advertising cost	\$-4,230.92
Giftwrap	\$-2.35
> Shipping costs	\$-45.38
> Refund cost	\$-293.95
> Amazon fees	\$-7,208.91
> Cost of goods	\$-4,970.06
Gross profit	\$10,251.00
Expenses	\$0.00
Net profit	\$10,251.00

^{**} Net profit is calculated as Total Revenue - (COGS, Ad Spend, Promotional Costs, Amazon Fees and other related fees)

In this example 5% of net profit = \$512.55. If you were on Pricing Tier 4 the total monthly fee would be \$1500 + \$512.55 = \$2012.55

PRICING TIER BREAKDOWN

TIFR 1

When a new client starts working with Rising Sun Commerce on a managed account basis they always start on Pricing Tier 1. Only when they have 2 consecutive months with revenue in excess of \$10,000 will they move to a new Tier.

What is including in Tier 1:

- All of the standard tasks
- 25% discount on new listing setup (<u>as displayed here on our website here</u>)
- 25% discount on unboxing/ explainer videos (as displayed here on our website here)

TIFR 2

When a client's revenue is between \$10,000 and \$20,000 for 2 consecutive months they automatically move on to Pricing Tier 2.

What is including in Tier 2:

- Everything included in Tier 1
- 50% discount on new listing setup (as displayed here on our website here)
- 50% discount on unboxing/ explainer videos (<u>as displayed here on our website here</u>)
- Promotional strategy setup and management to grow sales
- Potential to use additional advertising campaigns if the clients advertising budget is not being fully utilized
- Organic keyword rank tracking

TIER 3

When a client's revenue is between \$20,000 and \$30,000 for 2 consecutive months they automatically move on to Pricing Tier 3.

What is including in Tier 3:

- Everything included in <u>Tier 2</u>
- 75% discount on new listing setup (<u>as displayed here on our website here</u>)
- 75% discount on unboxing/ explainer videos (as displayed here on our website here)
- Setup and management of additional advertising campaigns outside of The Rising Sun Engine

 Advanced strategies to grow sales and market share on Amazon Japan. For example keyword ranking strategies or taking market share away from specific competitors

TIFR 4

When a client's revenue exceeds \$30,000 for 2 consecutive months they automatically move on to Pricing Tier 4.

What is including in Tier 4:

- Everything included in <u>Tier 3</u>
- Free new listing setup
- Free unboxing/ explainer videos
- Listing optimization A/B testing experiments
- Custom Brand Store expansion
- Integrated Brand Store ad strategy (i.e specific advertising campaigns that send shoppers to specific custom Brand Store pages)*
- Customer followup messaging sequences**
- * This is unique to the client, but as an example if the product was an abdominal machine the shopper could be a female in their 20s or the shopper could be a male in their 60s. We would create a custom Brand Store page targeted to each of these avatars so that each shopper gets the best possible experience and the chances of them buying is increased.
- ** A message workflow will be created so that any customer on Amazon will be sent (via Amazon's messaging system) up to 3 messages related to their order. The goal will be to reduce the potential for negative feedback, increase review rates, and to give the customer any additional information they may need, such as usage instructions.

START PRICING TIER

This agreement will start on Pricing Tier: [enter Pricing Tier and fees here]

AGREEMENT START DATE

This agreement will start on the 1st day the Amazon advertising is managed by Rising Sun Commerce. This could mean when the advertising campaigns are set up or when Rising Sun Commerce officially takes over the management of existing campaigns.

We will communicate via email to confirm the start date.

8. Agreement by both parties

	For Rising Sun Commerce	For Client
SIgnature:		
Name:	Neil Curtis	
Address:	Unit 5, Newlands House, Inglemire Lane, Hull, HU6 7TQ U.K.	
Date:		

If you have any questions, then please contact us:

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