

AppleFund K-12 Program Guidelines Overview

The K-12 Account Development Program is offered to Authorized Apple Education Sales Agents as part of our continuing support for the successful promotion of Apple products. This program continues to be enhanced to offer flexibility and greater support to our Sales Agents. Highlights of changes for FY'96:

- Changes will become effective on January 1, 1996.
- Up to 50% of AppleFund dollars may be deferred no later than the following quarter. Payment of deferred accrual amount will be made in the month when funds are actually spent.
- Changes to the AppleFund Activity Plan less than \$1,000 no longer need AppleFund approval. In all cases, the District Manager (DM) must approve any changes to the AppleFund Activity Plan. Changes over \$1,000 require AppleFund approval.
- Any focus on THIRD PARTY CPUS, Personal Digital Assistants, Solutions, Servers, Printers and Monitors will not be considered eligible for AppleFund reimbursement except for non-competing Solutions or Servers at seminars and events.
- All printed materials not supplied by Apple Computer require prior approval from AppleFund.

How are the Funds Accrued and Reimbursed?

Accrual for this fund will occur monthly and will be calculated as a percentage of the monthly quota. The accrual rate is calculated by Apple Computer and communicated to the Sales Agent at the beginning of the program.

Participating Sales Agents will be issued an AppleFund check monthly equal to the previous month's accrual less Direct Deducts and any deferred accruals.

What is the AppleFund Direct Deduct?

- The AppleFund Direct Deduct option automatically deducts payments from accrued dollars.
- Direct Deduct activities must be outlined in the approved AppleFund Activity Plan.
- No activity will be Direct Deducted from the Sales Agent's accruals without the Sales Agent's written consent.
- Activities that qualify for Direct Deduct are:
 - Literature, videos and co-op advertising materials ordered from StartingLine at 1-800-825-2145.
 - Seed Unit Orders
 - Apple District, Region or Corporate sponsored special activities.
- Approved Direct Deducts will be processed against the Sales Agent's accruals throughout the month.

Special Projects

- Activities not specifically listed as eligible which are essential components of an overall account development plan.
- Special Projects must be included in the AppleFund Activity Plan. Specifics of the Special Project must be outlined on the Activity Proposal form and attached to the AppleFund Activity Plan. These forms are available on AppleLink.

What is an AppleFund Activity Plan?

The AppleFund Activity Plan is the Sales Agent's commitment regarding the use of accrued dollars to promote Apple business. Quarterly, the Sales Agent is required to submit an AppleFund Activity Plan to AppleFund after obtaining DM approval. See attached schedule for quarterly deadlines.

To assist the Sales Agent in planning, included in these guidelines is a list of eligible activities. Specifics on how the Sales Agent will perform these activities to promote Apple business must be detailed in the AppleFund Activity Plan.

The Sales Agent will receive a confirmation of receipt and approval of the AppleFund Activity Plan via FAX from AppleFund Headquarters. The Sales Agent must ensure correct FAX # is on the form.

For questions: 1-800-421-9574
AppleLink: AppleFund.HQ

The AppleFund Activity Plan is also a tool for developing Apple promotional activities. The Sales Agent should work with the Apple Sales Representative to plan activities which focus on Apple products and solutions for the K-12 market.

Changes to the Activity Plan must be approved in advance by the DM and AppleFund.

Submit the completed AppleFund Activity Plan to the District Manager for approval. AppleFund must receive the DM approved Activity Plan no later than the 17th of the first month of the quarter planned for.

Mail to: AppleFund Headquarters
1919 W. Fairmont Dr. #7
Tempe, AZ 85282

AppleFund Activity Plan may also be submitted via FAX to: 1-602-438-0720.

Note: All forms referenced in these guidelines are available on AppleLink. The pathway is: Sales & Marketing - > Apple Programs - > AppleFund - > K-12 AppleFund Program.

Eligible Activities: For Apple related activities only.

Consultants/Specialists Description

- Consultant/Specialist services (may not be a Sales Agent employee) as a component of an overall account development plan.
- *Trainers do not require a proposal.

Required Content, Expense Eligibility

- Prior written approval by DM of proposal to use Consultant/Specialist services. Proposal must include objectives, timing, method, payment terms, etc. Travel, meals and other expenses as well as legal consultation, accounting and agency fees are not eligible.

Merchandising

Description

- All non-merchandise items from StartingLine.
- Sales Agent business cards, stationery and envelopes.

Required Content, Expense Eligibility

- Correct use of Authorized Education Sales Agent Logo, Apple trademarks, service marks and credit line. (Use Prior Approval Service.)
- Must be Apple exclusive to be eligible.

Direct mail Description

- Product and event mailers, Catalogs, Education Price Lists.
- Mail list rental/purchase, mailhouse services, printing and postage.

Required Content, Expense Eligibility

- Correct use of Authorized Education Sales Agent Logo, Apple trademarks, service marks, and credit line. (Use Prior Approval Service.)
- Appropriate illustration/photo of an Apple product.

Seed Units Description

- Apple product placement at potential customer sites, or for customer demonstrations.
- Product taken from Sales Agent inventory, demo units, software, 3rd party products, or any other expenses not specifically outlined in these guidelines are not eligible.
- Note: Seed order forms along with the agreement must be submitted to AppleFund, not directly to Apple Austin.

Required Content, Expense Eligibility

- Must be used for education market development, training or sales generation activities only, for at least 6 months as a seed unit.
- May be standalone. Under no circumstances are THIRD PARTY CPUs, Personal Digital Assistants, Solutions, Servers, Printers or Monitors eligible as seed units.
- Apple Seed Unit Agreement//Order Form must be signed by a Sales Agent representative and approved by an Apple Representative. Funds to cover order will be immediately deducted from Sales Agent accruals.

Terms and Conditions

By participating in the Program or accepting payments it is acknowledged that the Sales Agent has received, reviewed, and accepted all of the terms and conditions specified in this Program.

Unspent AppleFund dollars which have been advanced to the Sales Agent will continue to belong to Apple Computer, Inc. and shall be refunded by the Sales Agent on demand. Failure to refund said monies to Apple Computer will result in (but is not limited to) a collection effort at Apple's sole discretion, termination from the program and/or termination of the Sales Agent Agreement.

Under no circumstances will Apple pay more than its prorated share of actual costs for seminars & events; or pay for expenses which focus on THIRD PARTY CPUs, Personal Digital Assistants, Solutions, Servers, Printers or Monitors.

If change in ownership of an Authorized Apple Education Sales Agent occurs, and if Apple approves in writing to the change, the accruals may be transferred as part of the transaction. The transfer of monies must be executed with both parties involved agreeing to the transfer in writing.

Apple Computer, Inc. will not reimburse third party suppliers directly on behalf of the Sales Agent.

No activity may be started, nor commitments made based on potential use of AppleFund monies, without the prior approval of the Apple District Manager and AppleFund.

A quarterly AppleFund Activity Plan must be received by the due date for the Sales Agent to be eligible to participate in the AppleFund Program for that quarter.

Monthly Advance AppleFund Payments will be issued to Sales Agents who comply with the Program's terms and conditions.

This fund may be used for eligible K-12 activities only, as outlined in these Guidelines. It is intended solely for assigned account demand generation or specific account development activities.

This program may be amended or terminated by Apple at any time, for any reason, without prior notice.

Commitments made up to the time of amendment or termination will be honored. Apple may modify, suspend, or terminate the Sales Agent's participation in the AppleFund Program at any time if the Sales Agent, in Apple's sole discretion, fails to abide by the terms and conditions of this program, the Sales Agent Agreement, or with applicable law.

Apple, or its representatives shall have the right to examine the Sales Agent's books and records and/or request documentation be sent to Apple as it relates to verification and compliance with this Program. Sales Agent will maintain complete records, included but not limited to invoices, consultant proposals, prior approval forms, signed contracts, expense reports and cancelled checks. These documents must be accessible to Apple, as soon as possible and no later than thirty (30) days from date of request. All such records will be maintained by the Sales Agents in accordance with generally recognized accounting practices. Apple's right to inspect such books and records, and to receive immediate reimbursement for overpayment shall survive the expiration or other termination of this Program.

In addition to verifying the accuracy of payments made, Apple will audit all matter that Apple deems appropriate including (but not limited to) Apple Logo, Name, and Trademark Guidelines. If ads and materials fail to comply with the program guidelines, the amounts listed in the table of infractions and deductions will be deducted from future payments. Other infractions/violations will result in appropriate action by Apple which may include termination of participation in the Program.

All money provided by Apple under the Program must be spent only on eligible activities as specified in the guidelines.

The Sales Agent is expected to spend the funds within the quarter of the accrual. If during an audit, a shortage (unspent funds) is identified, Apple reserves the right to obtain a refund,

accrual offset or work out plan (at Apple's sole discretion).

It is the Sales Agent's sole responsibility to report correctly to government agencies, including the IRS, any payments made or awards given under this Program.

All Sales Agents produced material and events must meet Apple's written guidelines and must exhibit the high standard of quality that is identified with Apple and its products.

Advanced Dollars will continue to belong to Apple Computer, Inc. (even though already paid to the Sales Agent) until successful completion and verification of authorized activities. Apple reserves the right to deduct overpayments, demand repayment, suspend the monthly advance payment, change the process to "claim and reimbursement," or take other action for any Sales Agent that fails to meet all program requirements. Payments may be suspended when Sales Agents are placed on credit hold.

Schedule of Activity Plan Deadlines and Payments

Refer to the schedule below for the quarterly Activity Plan submission due dates. As provided in the terms and conditions, quarterly AppleFund Activity Plan must be received by the due date for the Sales Agent to be eligible to participate in the AppleFund program for that quarter.

Advanced AppleFund Payments will be made based on the Sales Agent's quarterly accrual less Direct Deducts. Payments will be in three equal installments beginning on the second month of the quarter.

Quarter	Activity Plan due to AppleFund by:	Payments		
		First Month	Second Month	Third Month
Q1 1996	November 27	November	December	January
Q2 1996	January 15	February	March	April
Q3 1996	April 15	May	June	July
Q4 1996	July 15	August	September	October

Schedule of Program Violations and Deductions

Printed materials require Prior Approval which is provided free of charge to the Sales Agent. See page 5 of the AppleFund guidelines. Failure to obtain prior approval will result in the following deduction from the Sales Agent's accruals if, in the course of an Apple audit, non-compliance with Apple's logo and trademark guidelines are identified.

Area of Violation Deductions

Logo	\$1,000
Apple Signature	\$500
Apple Name	\$500
Brand Positioning	\$500
Trademark/Credit Lines	\$500

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