

# AppleFund Reseller Solution Fund Program Guidelines

AppleFund is the umbrella program that supports all Apple resellers (signers of the Authorized Apple Dealer Sales Agreement) with funds to promote the sale and support of Apple products.

## AppleFund-Solution Fund Calculation

Solution Fund dollars are calculated after the end of each month, based on a percentage of the total net billing of eligible Apple products purchased during the month. Current accrual rates vary by product line. For a table of accrual rates, see the end of this section.

Eligible Activities	Required Content
<b>Print Advertising*</b> <ul style="list-style-type: none"> <li>· Newspaper or magazine</li> <li>· Preprinted inserts</li> <li>· Billboards/Mass Transit</li> </ul>	<ul style="list-style-type: none"> <li>· Pricing according to MAP guidelines</li> <li>· Product illustration or photo of an Apple product (computer with monitor and keyboard, or peripheral)</li> <li>· Authorized Apple Reseller logo</li> <li>· Apple logo, trademarks or credit lines</li> </ul>
<b>Broadcast Advertising</b> <ul style="list-style-type: none"> <li>· Advertising on FCC-licensed radio and TV stations</li> <li>· Remote-location broadcasts</li> <li>· On-hold messages</li> <li>· Public or cable television sponsorships</li> <li>· 10- or 15-second spots sponsoring newscasts or other programs</li> </ul>	<ul style="list-style-type: none"> <li>· Pricing according to MAP guidelines</li> <li>· If TV, product illustration or photo of an Apple product (computer with monitor and keyboard, or peripheral)</li> <li>· Prominent audible identification as an Authorized Apple Reseller location</li> <li>· If TV, Authorized Apple Reseller logo</li> <li>· If TV, prominent visual use of Apple logo, trademarks or credit lines</li> </ul>
<b>Seed/Demo/Training Equipment</b> <ul style="list-style-type: none"> <li>· Apple products placed at potential customer sites for evaluation</li> <li>· Apple products used in Apple reseller training rooms</li> <li>· Apple products required for Apple self-paced training courses or reference and support materials</li> <li>· Apple products used for customer demonstrations</li> <li>· Short-term rental for product evaluation</li> </ul>	<ul style="list-style-type: none"> <li>· The equipment must be used for market development, training, or sales-generation activities</li> <li>· Equipment must be used for this purpose for a minimum of four months</li> </ul>
<b>Seminars &amp; Events (Hosted or attended by reseller)</b> <ul style="list-style-type: none"> <li>· Apple-sponsored symposiums, seminars, events, or programs, including travel expenses</li> <li>· Apple dedicated trade shows</li> <li>· Reseller sponsored events (authorized by Apple Sales Representative)</li> </ul>	<ul style="list-style-type: none"> <li>· Must be an Apple-sponsored or Apple-focused sales, service, or support seminar or event</li> <li>· Trade shows, industry events, or conferences with Apple focus</li> </ul>

<b>Training (Hosted or attended by reseller)</b> · Apple-sponsored sales, service, or technical training, including travel expenses · Apple Training Alliance (ATA) courses · Third-party certification or technical training dedicated to Apple	· Apple product or solution oriented
<b>Service and Support</b> · Apple Support Professional subscriptions · AppleLink fees	· Apple product or solution oriented

\* If the ad has multiple vendor products featured, the total amount will be:

- prorated for the Apple portion if the other products are hardware.
- prorated for the Apple portion if the other products are Mac OS compatible software, and Apple is less than 50%.
- 100% if the other products are Mac OS compatible software, and Apple is more than 50%.

### ***StartingLine* Catalog**

The *StartingLine* catalog lists product art and ad slicks, as well as sales and marketing materials, literature, videos, and much more. Materials available through *StartingLine* are eligible for AppleFund Direct Deduct. (See Payment and Deductions below for details about Direct Deduct. Call 1-800-825-2145 to order the StartingLine catalog.)

### **Minimum Advertised Price (MAP)**

Apple believes that advertising is the means by which customers ascertain the value of a product. To encourage resellers to use the Solution Fund to help establish the base value of Apple products, Apple maintains a Minimum Advertised Price (MAP). Please see your Apple Sales Representative for the most current MAP Price List.

By setting MAPs for use in advertising Apple products, and providing advertising funding to resellers who comply with the MAP guidelines, Apple hopes to establish the value of Apple products in the mind of the customer.

*Important:* The following MAP guidelines relate to Solution Fund payments only. As always, resellers are free to sell and advertise Apple products at whatever prices they choose.

### **MAP Guidelines and General Information**

- Resellers who wish to receive Solution Fund payments in full from Apple must not advertise Apple products at prices lower than MAP.
- An updated list of Apple products and their MAPs, as well as the effective date of each MAP price will be included on the Apple MAP list-available on AppleLink: Apple Sales and Marketing -> Apple Programs -> AppleFund -> Minimum Advertised Price (MAP) or from your Apple Sales Representative.
- Changes to the listed prices will be periodically announced by Apple and will be provided by your Apple Sales Representative.

### **Keeping Within the MAP Guidelines**

- Advertised prices for Apple products must be at or above the current MAP. (Deviations of up to \$5 from MAP are permitted to meet pricing conventions).
- The advertisement of reduced prices on services or on products from other manufacturers in conjunction with the purchase of Apple products listed at MAP is not a violation of MAP.
- A below MAP price that results from a promotion or rebate offered by Apple is not a violation of MAP.
- A reseller bundle of Apple-only products that all have MAP prices may be priced \$25 below the combined MAP without violating MAP guidelines.

*Important:* MAP guidelines on advertised prices are in addition to the Solution Fund guidelines that refer to eligible activities and their required content.

## Using MAP in Advertising

### Do:

- Advertise Apple products at or above the current MAP (or within \$5), or omit pricing information altogether.
- Consult the current Apple price list for MAP information.

**All-Apple bundle:** Refer to Apple Program Binders for graphic example.

Apple CPU.....	\$999
Apple monitor.....	\$300
<hr/>	
Bundled MAP.....	\$1,299

**Advertised price: \$1,299**

**Competitive bundle:** Refer to Apple Program Binders for graphic example.

Apple CPU.....	\$999
Apple monitor.....	\$300
<hr/>	
Bundled MAP.....	\$1,299

**Advertised price: \$1,599**

(Advertised price greater than or equal to MAP price.)

**Free offer in conjunction with Apple offer:** Refer to Apple Program Binders for graphic example.

Apple CPU.....	\$999
Apple monitor.....	\$300
<hr/>	
Bundled MAP.....	\$1,299

**Advertised price: \$1,299**

(Advertised price greater than or equal to MAP price.)

These are examples of ads that meet all of the Minimum Advertised Price (MAP) guidelines, based on current MAP information at time of publication.

### **Do not:**

- Do not advertise prices that result from Retailer promotions (such as rebates) that are below MAP.
- Do not place graphic elements on the advertised price that suggests below MAP price. An example would be a price which has strike marks through it.
- Do not advertise a bundle price that is less than the combined MAP for the individual products.

**All-Apple bundle:** Refer to Apple Program Binders for graphic example.

Apple CPU.....	\$999
Apple monitor.....	\$300
<hr/>	
Bundled MAP.....	\$1,299

Advertised below MAP at \$1,000

This is an example of an ad that **violates** the Minimum Advertised Price (MAP) guidelines, based on current MAP information at time of publication.

### **Prior-Approval Service**

Apple offers a free service for reviewing advertising prior to placement and is recommended for TV, radio, and direct-mail. This service, available to all Apple resellers, checks proposed advertising (layouts and broadcast scripts) for compliance with MAP as well as with activity guidelines, required content, and the use of the Apple logo, name, and trademarks.

To use the prior-approval service, fax your materials and prior-approval request to AppleFund Headquarters three to five business days before your deadline. Staff members will review them and respond by fax (or AppleLink, if requested) within six business hours of receipt. Prior-approval business hours are Monday through Friday, 9 a.m. to 5 p.m. (PST).

When submitting materials to AppleFund Headquarters, use the Prior Approval Fax Cover Sheet. Fax to (602) 438-0720.

*For mail:*  
AppleFund Headquarters  
P.O. Box 52118  
Phoenix, AZ 85072

*For overnight delivery only:*  
AppleFund Headquarters  
1919 West Fairmont Drive, Suite 7  
Tempe, AZ 85282

### **Prior-Approval Compliance Guarantee**

Resellers that use the prior-approval service will not be liable for violations if their materials were approved by AppleFund Headquarters and were published as approved.

### **National Advertising Monitoring**

Apple monitors product advertising via a number of methods, including a national clipping service. Apple will notify resellers whose ads are in violation of the guidelines.

### **No Complaints**

Apple does not wish to receive any complaints about any other reseller's promotional or pricing practices and will disregard any such complaints, whether oral or written. Any comments to the contrary by an Apple Sales Representative are expressly unauthorized and disclaimed by Apple.

### **Solution Fund Payments**

- *Payment Method and Dates* . Apple's goal is to mail Solution Fund checks to resellers during the third fiscal week of each month following the month in which the funds were accrued.
- *AppleFund Direct Deduct* . This option automatically deducts payments for specific activities from accrued dollars. Activities that qualify for Direct Deduct are; StartingLine materials, literature, advertising materials, videos, Yellow Pages/trade-name ads, and attendance at Direct Deduct authorized Apple-sponsored events (such as product briefings).

### **Terms and Conditions**

- *Acceptance of Program, Terms and Conditions* . By participating in the Program or accepting payments it is acknowledged that the reseller has received, reviewed and accepted all of the terms and conditions specified in Apple Computer Inc.'s (Apple) Program.
- *Eligible Activities* . All money provided by Apple under the Program must be spent on "eligible activities" as specified in the guidelines.
- *High Quality* . All sales and marketing materials and events must exhibit the high standard of quality that is identified with Apple and its products.
- *Timing of Expenses* . The reseller is expected to spend the funds within twelve (12) months of the accrual date. 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).
- *"Shortage"* . Unspent Program dollars which have been advanced to the reseller will continue to belong to Apple Computer, Inc. and shall be refunded by the reseller on demand. Failure to refund said monies to Apple Computer, Inc. will result in (but is not limited to) a collection effort at Apple's sole discretion and/or termination from the Program.
- *Withheld/Suspended Payments* . Advanced dollars will continue to belong to Apple (even though already paid), until successful completion and verification of the authorized activity. 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 reseller that fails to meet all Program requirements. Payments will be suspended when resellers are placed on credit hold.
- *Financial Records and Audit* . Apple, or its representatives, shall have the right to examine the reseller's books and records or request documentation be sent to Apple as it relates to verification and compliance with this Program. Reseller will maintain complete records, including (but not limited to) invoices, tearsheets, rate cards, prior approval forms, signed contracts, expense reports, proof of direct deduct charges, payroll records, and cancelled checks. These documents must be accessible to Apple within thirty (30) days from date of request. The records will be maintained in accordance with recognized accounting practices. Apple's rights to inspect such books and records and to receive immediate reimbursement for overpayment, shall survive the expiration or other termination of this Program.
- *"Subsidy"* . Apple will not reimburse for direct margin subsidy, such as subsidizing

fees, interest rates, lowering the cost of bundled products, or providing markdown allowances.

- *"Profits"* . Under no circumstances will Apple pay more than its prorated share of actual costs for items such as (but not limited to) catalogs, conferences, print and broadcast advertising. Travel expenses are considered a one time charge and should never be allocated by more than 100% to all participating companies. A company must disclose the number of companies participating and the method of allocating expenses to Apple.
- *Apple Logo/Name/Trademark Guidelines/Map* . In addition to verifying the accuracy of payments made, Apple will audit all matters 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.
- *Third Party Payments* . Apple will not reimburse third party suppliers directly on behalf of the reseller.
- *Reporting Responsibility* . It is the reseller's sole responsibility to report correctly to government agencies, including the IRS, any payments made or awards given under this Program.
- *Termination* . The 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 reseller's participation in the Program at any time if the reseller, in Apple's sole discretion, fails to abide by the terms and conditions of this Program, the reseller Agreement, or with applicable law.
- *Change in Ownership* . If change in ownership occurs, and if Apple approves in writing to the change, the accruals may be transferred as part of the transaction. A Transfer of Balances Form must be completed and signed by both parties involved in the transaction. The form is available on AppleLink. Use the General Update Form (GUF) to notify Apple of changes of business status.

### Accrual Rate Schedule

The table that follows shows accrual rates for eligible Apple products. Accrual rates are subject to change without notice. Contact your Apple Sales Representative for the current accrual rate schedule for the products you carry.

Product Description	Accrual Rate (%)
· Macintosh Performa	2.0
· Apple Printers	2.0
· Apple Displays	2.0
· Power Macintosh	1.5
· Macintosh PowerBook	1.0
· Apple Workgroup Servers	0.0
· Newton/Newton Software	0.0

### AppleFund Deductions

If ads or materials fail to comply with the AppleFund guidelines, the amounts listed in the following table will be deducted from future payments.

An infraction is any violation of the AppleFund guidelines. Multiple tearsheets featuring

different sets of Apple products will be considered as distinct and separate ads, even if these tearsheets are for the same advertising campaign. Multiple infractions falling under the same category in the same ad will be counted as one infraction.

*Note* : Initial infractions will result in a warning and Apple will provide a 60 day correction period except for MAP violations.

### **Table of Infractions and Deduction**

Area of Violation	First Infraction	Second Infraction	Subsequent Infractions
Logo	Warning	\$1,000	\$2,000
Apple signature	Warning	\$500	\$1,000
Apple name	Warning	\$500	\$1,000
Brand positioning	Warning	\$500	\$1,000
Trademark or credit lines	Warning	\$500	\$1,000
MAP guidelines	Deduction of 30-day average accrued dollars-averaged over a 12-month period	Deduction of 30-day average accrued dollars-averaged over a 12-month period	Deduction of 30-day average accrued dollars-averaged over a 12-month period

### **Forms**

The AppleFund Compliance Form, Transfer of Balances Form, and AppleFund Prior Approval Cover Sheet can be found in the Other Apple Information section of this binder. Consult your Apple Sales Representative or AppleLink: Apple Sales and Marketing -> Apple Programs -> AppleFund Program -> AppleFund Forms.

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