

AppleFund Apple-authorized VAR Program Q & A (Indirect)

On January 1, 1996 the FY'96 AppleFund - Apple-authorized VAR Program will begin. The following questions and answers (Q&A) address the program and commonly asked questions.

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Q: What is the AppleFund –p; Apple-authorized VAR Program?

A: The AppleFund –p; Apple-authorized VAR Program supports Apple-authorized VAR (signer of: Authorized Distributor/Value Added Reseller US Sales Agreement or Authorized Aggregator/Value Added Reseller US Sales Agreement) efforts to market and sell Apple products *as components of their Solution Systems or Value Added enhancements.*

Q: How do Apple-authorized VARs qualify to participate in this program?

A: To be qualified to receive funds from this program, an Apple-authorized VAR must purchase a minimum of \$100K per year of Apple product from participating Apple-authorized Aggregators or Distributors (wholesaler).^{*} Annual purchases will be reviewed twice a year, at Apple's sole discretion.

Q: What happens if an Apple-authorized VAR buys from a source other than a participating wholesaler?

A: Purchases from a source other than a participating wholesaler will not be credited to an Apple-authorized VAR 's qualifying volume when eligibility to participate in the program is determined by Apple. In addition, at Apple's sole discretion, Apple may suspend the quarterly advance payment, change the process to "claim and reimbursement," or take other action including but not limited to termination of the VAR's participation in the program.

Q: How does the program work for Apple-authorized VARs who qualify to receive funds?

A: Funds are calculated each month based on a percentage of the net billing of eligible Apple products purchased during the month from participating wholesalers. The program allows for simple access to AppleFund dollars by providing quarterly Advance Promotional Payments (APP) which are based on the previous quarter's accruals.

Q: What are the FY'96 AppleFund accrual rates?

A: AppleFund Accrual Rates for FY'96:

Products	Accrual Rate
Macintosh Performa	2.0 percent
Apple Printers	2.0 percent
Apple Displays	2.0 percent
Power Macintosh	1.5 percent
Macintosh PowerBook	1.0 percent
Apple Workgroup Servers	0.0 percent
Newton/Newton Software	0.0 percent

Please note these accrual rates are subject to change without notice.

Q: How do Apple-authorized VARs begin to receive the Advance Promotional Payment?

A: Apple-authorized VARs must sign a compliance form to become eligible for the quarterly Advance Promotional Payment. The compliance form must be received at AppleFund Headquarters by **February 15, 1996**. If the form is not received by this date, Apple will suspend advance payments. The form is posted on AppleLink (pathway : Sales & Marketing -> Apple Programs -> AppleFund -> VAR folder). Questions may be directed to AppleFund Headquarters at 1-800-421-9574.

Q: Can an Apple-authorized VAR use AppleFund dollars to promote non-Apple hardware products and software?

A: Apple will not reimburse for the promotion of non-Apple hardware products. Apple will reimburse an Apple-authorized VAR to promote Apple products as components of its Solution System and if it follows the AppleFund Guidelines . The following criteria is used to determine the Apple portion of an ad:

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

- prorated for the Apple portion including VAR's Solution System if the other products are **hardware**.
- prorated for the Apple portion including VAR's Solution System if the other products are **software** and Apple is **less than 50%**.
- 100% if the other products are Mac OS compatible software and the Apple portion including VAR's Solution System is **more than 50%**.

Please note that Newton and Newton software are excluded from AppleFund reimbursement.

If price appears in an ad, pricing must be for the complete VAR Solution System, not for the Apple product only.

Q: Will Apple audit the use of AppleFund dollars?

A: Yes. Apple reserves the right to review an Apple-authorized VAR's books and records or request documentation be sent to Apple as it relates to verification and compliance with this program. Refer to the AppleFund Terms and Conditions for additional information on the

records that should be retained and the impact of non-compliance.

Q: What happens if an Apple-authorized VAR does not comply with the AppleFund Program Guidelines?

A: Apple reserves the right to deduct overpayments, demand repayment, suspend the quarterly advance payment, change the process to "claim and reimbursement", or take other action if an Apple-authorized VAR fails to meet the program requirements.

Q: What is the Yellow Pages Advertising Program?

A: The AppleFund Program provides support to Apple-authorized VARs in marketing and selling Apple products (only as components of its Solution System or Value Added enhancements) through Yellow Pages advertising. Services provided include: demographic information and 50% savings on all new display advertisements using the Apple provided "Apple Only" ads placed in the U.S. for directories closing in FY'96.

Q: Who should an Apple-authorized VAR contact for questions regarding Yellow Pages advertising?

A: An Apple-authorized VAR should contact the Apple Yellow Pages Hotline at TMP Worldwide at 1-800- 349-4571.

Q: Where are the AppleFund Terms and Conditions located?

A: The [AppleFund Terms and Conditions](#) are included in this site. Please be sure to review these documents.

Q: What is Minimum Advertised Price (MAP)?

A: To encourage Apple-authorized VARs to use AppleFund dollars to help establish the base value of Apple products, Apple maintains a Minimum Advertised Price (MAP). By setting MAPs for use in advertising selected Apple products and providing advertising funding to Apple-authorized VARs who comply with the MAP guidelines, Apple hopes to establish the value of Apple products in the mind of the customer. Please consult your Apple Sales Representative or AppleLink (pathway : Apple Sales & Mktg -> Apple Programs -> AppleFund folder) for the most current MAP Price List. MAP relates only to advertising. Apple-authorized VARs set their own resale prices and are free to resell at any price.

Q: What happens if an Apple-authorized VAR does not comply with the Apple Logo, Name, and Trademark or MAP Guidelines?

A: Failure to comply will result in deductions from the quarterly Advance Promotional Payment (APP). See [AppleFund Program Guidelines](#) for details plus the [Apple Logo, Name, and Trademark](#) portion of this site.

Q: Are there any changes to the sales and inventory reporting requirements as a result of this program?

A: There are no changes to the sales and inventory reporting requirements resulting from this program.

* An Apple-authorized VAR who fails to meet the \$100K volume bar will not receive AppleFund disbursements directly, but will benefit through activities determined and implemented by the National Apple VAR Sales Organization. However, an Apple-authorized VAR may elect to receive direct payment of AppleFund dollars by sending a written request to: Apple Computer, Inc., Channel Program Operations, 900 E. Hamilton Ave., MS 73-PM, Campbell, CA 95008. Election is limited to once every six months.

The program terms and conditions apply to all Apple-authorized VARs who receive direct payments from AppleFund.

