



Apple Reseller Policies and Practices (iPod Authorization)

This overview describes Apple's reseller policies and business practices in the U.S., providing definitions, specific requirements, and references to sources of additional information.

Apple may, at its discretion, modify these policies and practices effective on a date designated by Apple. Resellers will have a commercially reasonable period of time to implement changes made by Apple, not to exceed thirty (30) days.

Changes to these policies and practices will be provided to resellers by posting an updated Apple Reseller Policies and Practices on Apple Sales Web (ASW); notice will be deemed given when posted.

For more information on Reseller Policies and Practices, please contact Apple Inside Sales at applechannelsales@apple.com or an Apple account representative.

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Reseller Requirements

Resellers must:

- Comply with the terms of their Authorized U.S. Apple Reseller Agreement (iPod Authorization) and these Apple Reseller Policies and Practices. If resellers violate any of these terms or policies, Apple will take appropriate action, up to and including terminating all agreement(s) with Apple;
- Ensure that all employees, contractors, and agents understand Apple's requirements and comply with all contract terms, policies, and practices;
- Ensure that their account with Apple, if purchasing directly from Apple, is kept current at all times. If accounts are not kept current, Apple may assess fees necessary to cover Apple's costs of carrying past due balances, withhold product shipments, or terminate all agreement(s) with Apple;
- Maintain an email address and make commercially reasonable efforts to maintain Internet access at any headquarters location. An email address must be provided to Apple;
- Access ASW on a regular basis to ensure that they have the most current version of the Apple Reseller Policies and Practices and to obtain updated information. It is recommended that all authorized reseller locations also access ASW on a regular basis to obtain the most current information;
- Develop and execute sales and marketing activities that feature Apple products and be responsible for demand generation and fulfillment in local markets;
- Use a consultative sales approach and make presale and post-sale support available to customers through "face-to-face" contact at customer site(s) or at authorized reseller locations;
- Carry an adequate number of demonstration units, including monitors, and customize hardware, software, and networks to meet customer needs;
- Operate an authorized retail storefront, business-only storefront, or a non-storefront selling location, as appropriate, and maintain store hours that are convenient to customers;
- Provide post-sale support for Apple products by referring customers to an Apple Authorized Service Provider, to Apple, or by performing specific product repairs, if reseller is an Apple Authorized Service Provider;
- Complete product training that is appropriate for the products the reseller is authorized to sell in order to sell and support Apple products and encourage employees to participate in Apple's Sales Training Online Program;
- Submit, at a minimum, weekly EDI or Web-based sales and inventory reports to Apple and adhere to Apple's reporting guidelines for those resellers who are authorized to purchase directly from Apple; and



- Comply with all additional program terms, requirements, and guidelines for special programs that Apple may offer.
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Glossary of Terms

Apple ID Number is a unique number assigned to reseller locations.

Apple Sales Web (ASW) provides online confidential information to authorized resellers, such as channel sales, marketing information, programs, and policies.

Approved Ship-to Locations means reseller locations that Apple has approved to ship products to.

Asset or Assets mean Apple Asset Kits that contain headlines, copy blocks, photography or other materials for use by Reseller when marketing Apple-branded products.

Business-only Storefront is a sales location that caters to walk-in business clients, promotes the sale of Apple products by displaying demonstration units, and may offer a selection of Apple business solutions.

Closed-box Returns are products that are unopened and have not been tampered with in any way and retain all original Apple seals and packaging.

Current Account Payment Status occurs when resellers purchasing directly from Apple have their accounts receivables within the established payment terms.

Current Products are products that appear on the current applicable Apple price list.

Customer Number is the identification number provided by Apple that resellers use when ordering products from Apple (also known as SAP sold-to number.)

Direct Mail Advertising is direct mail advertising featuring products on the Internet, on-line services, e-mail, web casts, flyers, brochures, or newspapers.

Discontinued Products or End-of-Life (EOL) products are those products that Apple has removed from the current applicable Apple price list.

Dead On Arrival (DOA) Returns are open-box returns of inoperable products for credit. DOA is defined as a computer that is inoperable upon first use.

Government End User means:

- (i) Executive agencies (as defined in 48 CFR 2.1) including non-appropriated fund activities as prescribed in 41 CFR 101-26.000);
- (ii) Government contractors authorized in writing by a Federal agency pursuant to FAR 51.1;
- (iii) Mixed ownership Government corporations (as defined in the Government Corporation Control Act);



- (iv) Federal Agencies, including establishments in the legislative or judicial branch of government (except the Senate, the House of Representatives and the Architect of the Capitol and any activities under the direction of the Architect of the Capitol);
- (v) The Government of the District of Columbia;
- (vi) Tribal governments when authorized under 25 USC 450j(k);
- (vii) Organizations, other than those identified, as authorized by GSA pursuant to statute or regulation to use GSA as a source of supply;
- (viii) State and local government, includes any state, local, regional or tribal government or any instrumentality thereof;
- (ix) Government contract holders or integrators purchasing for the purpose of supplying a government user or agency.

Internet Sales is sales via the Internet where customers purchase products via a web site.

Mail Order Sales is the taking of orders primarily by phone, mail, the Internet, on-line services, or fax and their fulfillment through the mail or other delivery carriers, without physical "face-to-face" customer interaction.

Net Purchases are resellers' gross sales minus returns and allowances.

Non-storefront is a location that serves customers on an appointment basis and/or supports corporate accounts and is not open to walk-in traffic. Examples of non-storefronts may include office suites, corporate offices, or showrooms that are not open to the public.

Open-box Returns are products that have the original Apple seals and packaging altered. These include DOA and customer satisfaction returns.

Previous Quarter's Net Purchases (PQNP) refers to resellers' net purchases of qualifying products in the previous Apple quarter; used to calculate quarterly return allowances.

Problem Shipment refers to the delivery of incorrect products or products damaged in transit.

Purchasing From Apple is the purchase of Apple products by ordering online at the Apple store for resellers, by submitting a purchase order directly to Apple's order management group, or if qualified, by sending electronic sales data via Electronic Data Interchange (EDI). Resellers may not purchase products intended for resale from any Apple retail store, other online Apple store, or an Apple direct purchase team unless authorized in writing by Apple.

Retail Storefront is a sales location that caters primarily to consumer walk-in traffic, promotes the sale of Apple products by displaying merchandising materials and demonstration units, and offers a selection of Apple-related software and hardware.



Return Materials Authorization (RMA) Number is an Apple-generated tracking number assigned to products that Apple has authorized reseller to return.

Return Materials Authorization (RMA) Request Form is the form used by reseller to request approval from Apple to return products.

Sales Support Operations (SSO) Representative is an Apple representative who is assigned to provide order management support to resellers.

Transshipping is the sale of products between one authorized reseller and another for the purposes of resale. Transshipping requires prior written approval from Apple.

Return Materials Authorization (RMA) Request Procedure

Resellers must notify Apple of any returns prior to shipping them to Apple, using the RMA procedures outlined in this section. For all product returns, resellers must fill out an RMA Request Form, available on ASW, and include their customer number, contact name, telephone number, and fax number, and send the form to Apple via fax at (512-674-2970.)

If the RMA request meets the criteria for RMA issuance, Apple will issue an RMA with an RMA number, ship-to address, and the list of products eligible for return. RMAs remain valid until all products are received or for thirty (30) calendar days, whichever is earliest.

Resellers must provide a packing slip per carton for all returned products, listing all products and type of products (e.g., discontinued, defective, or stocking balancing) being returned on an RMA. Discontinued or obsolete products and stock balancing software returns may be shipped to Apple on the same pallet so long as each return is clearly identified by its RMA number.

Product returns will not be accepted at Apple during the last seven (7) calendar days of the Apple fiscal quarter without prior written approval from Apple; any products arriving at Apple during this time will be returned to resellers at each resellers' expense.

Clear identification on the shipment. Apple will only accept shipments that have resellers' customer number and an Apple-issued RMA number clearly posted on the shipping labels.

Ship the authorized products only. It is each reseller's responsibility to ensure that the products and quantities authorized for return by Apple match those products and quantities shipped to Apple.

Ship to the correct address. Resellers must ship products to the Apple-authorized address. The correct address can be obtained from an Apple SSO representative. Products sent to the wrong location will be returned to the reseller at each reseller's expense.

Return of shipment. In the event Apple receives product returns not shipped in accordance with Apple's return procedures, Apple will return the products to resellers at each



reseller's expense.

Credit memo. A reseller will be credited for products returned to Apple in the form of a credit memo. Apple reserves the right to offset return credits to resellers with other dollars due on account to Apple.

Credit calculation for Apple products. The amount credited for each return will be Apple's most recent price for the products or the net price actually paid, whichever is lower. Credits will be applied within thirty (30) calendar days of receipt of the products at Apple's designated return address.

Credit calculation for discontinued Apple products. The amount credited for discontinued or obsolete product returns will be the price in effect at the time each product is discontinued or as adjusted by any subsequent price protection offering.

Payment of freight for returned products. It is the responsibility of the reseller to prepay all related freight charges for products returned to Apple under this RMA process.

Product Return Procedure

All RMA Request Forms must be received and accepted by Apple by the last day of Apple's fiscal quarter for the return to be applied to that quarter. Resellers may not return products in excess of one percent (1%) of their PQNP. DOA products must be returned in their original or equivalent packaging. Inappropriately packaged returns may delay the credit process, be rejected at Apple's dock, or be returned at each reseller's expense.

Rejection or return of shipment. Apple will reject shipments or return products, at each reseller's expense, when the one percent (1%) limit for DOA products is exceeded, insufficient information has been provided to Apple in the notification process regarding the returns, the customer number and an RMA number are not posted on the shipping label, the shipment is not packaged correctly, or for any other policy violations. Apple reserves the right to charge or deduct an administration fee for inappropriate RMAs.

Enclose appropriate forms. A copy of the RMA Request Form previously sent to Apple must accompany all returns.

Clear identification on the shipment. Apple will only accept shipments that have each resellers' customer number and an RMA number clearly posted on the shipping labels.

Ship the authorized products only. It is each reseller's responsibility to ensure that the products and quantities stated on the form match those products and quantities shipped to Apple.

Ship to the correct address. Resellers must ship products to the Apple-designated address. The correct address can be obtained from an Apple SSO representative. Products sent to the wrong location will be rejected and returned at each reseller's expense.



Overage. If Apple accepts products which cause resellers to exceed their one percent (1%) DOA limit within a given quarter, Apple will reduce the next quarter's returns limit by the dollar amount of the overage accepted in the previous quarter.

Return allowance calculation. Resellers' actual returns allowances will be adjusted upon receipt of each RMA Request Form, not upon the receipt of the returned products. In addition, when each RMA Request Form expires, the return allowances will be adjusted for any differences between the amounts listed on the RMA Request Form submitted by resellers and the amount of products actually received by Apple.

Credit Procedure

Credit memo. Resellers will be credited by credit memo for returned products. Apple reserves the right to offset return credits with other amounts due on accounts to Apple.

Credit calculation. The amount credited for returns will be Apple's most recent price for the products or the net price actually paid, whichever is lower. Credits will be applied within thirty (30) days of receipt of the products at Apple's designated location.

Credit calculation for discontinued products. The amount credited for DOA returns will be the price in effect at the time the products are discontinued or as adjusted by any subsequent price protection offering.

Credit for bundle components. Items purchased as part of a product bundle will be credited at the component cost of the bundle's discounted price.

Price protection actions. Returned products affected by price protection actions will be credited at the price in effect at the time the products are received at Apple's designated location.

Hardware Product Returns

This policy applies only to products purchased directly from Apple. Products purchased from Authorized Apple wholesalers should be treated in accordance with the wholesaler's requirements.

Return limits. Upon authorization of a RMA by Apple, resellers may return products up to one percent (1%) of the dollar amount of the PQNP of eligible products purchased directly from Apple.

Apple may, at its sole discretion, announce special programs that have return policies that supersede this return policy for the duration of the programs.

Notification of return limits. Resellers are solely responsible for adhering to the product return limits. Resellers may inquire about their return limit by contacting Apple at 1-800-793-2378. Resellers' return limits will be reduced upon receipt of each RMA request form.



Eligible products. All Apple-branded products purchased directly from Apple, with the exception of Apple-branded software, and discontinued products that have been off the price list for more than ninety (90) calendar days, are eligible for return. Demonstration units and printed collateral are not eligible for return.

Discontinued products. Discontinued products are products that, as of the return date, Apple has removed from the price list from which resellers purchase. DOA discontinued products are eligible for return only if received by Apple within ninety (90) calendar days after removal from Apple's price list. Discontinued products apply against return limits. It is each reseller's responsibility to monitor the price list for current product offerings.

Third-party accessories and supplies. Sales of third party accessories and supplies are final and cannot be returned to Apple.

Problem shipments. Resellers must notify Apple Sales Support Operations (SSO) within ten (10) business days of receipt or refusal of a problem shipment. An SSO representative will assist resellers with resolving issues related to products lost or damaged in transit and delivery of products not ordered. Resellers must provide a purchase order number to expedite the inquiry. Returns of products that were shipped and deemed problem shipments by Apple will not be counted against return limits.

Wrong products shipped. In the event Apple ships products not ordered by resellers, resellers may return the products to Apple for a full credit.

Repair of DOA products. Before returning any DOA products, resellers should troubleshoot and repair these products whenever possible. Apple Authorized Service Providers can call Apple's Technical Service Provider Support group via email or chat to obtain technical assistance in repairing products.

Service documentation. Resellers should consult the relevant service documentation (GSX, Service Source Online, or Service Manual) before accessing Technical Operations.

Internet resources. Resellers should consult Apple's Knowledge Base before accessing technical Service Provider Support located at <http://search.info.apple.com>.

Products and Pricing

Resellers may order products that appear on the Authorized Apple Products List, available on ASW. Resellers purchasing products from the Authorized Apple Products List from an authorized Apple wholesaler or, if qualified in Apple's sole discretion, directly from Apple, may resell Apple products to end-user customers.

Apple Rebate Promotions

Certain states may stipulate that retailers advertising "net of rebate" price are obligated to provide an instant discount at the point of purchase and submit manufacturer mail-in claims on behalf of the end customer. Apple's mail-in rebate policies prohibit Authorized



Resellers from submitting claims for end customer mail-in rebate programs. Authorized Resellers who advertise "net of rebate" prices are responsible for providing the end customer with the rebate value; such rebates will not be reimbursed by Apple.

Minimum Advertised Price (MAP)

Resellers may elect to price and advertise Apple products at their own discretion. MAP guidelines relate to reseller claims for advertising reimbursements under AppleFund and Marketing Development Fund (MDF) programs.

AppleFund or any MDF claims submitted for advertisements that do not comply with Apple's MAP policy will not be reimbursed.

Products subject to MAP are updated on an as-needed basis. Resellers may obtain the most current MAP price listing on ASW. MAP applies to the advertisement of closed box products only. Used, refurbished, demonstration, or reconditioned units are not subject to MAP so long as they are advertised as such. Resellers seeking reimbursement are advised to check the MAP list each time an advertisement is placed to ensure compliance.

MAP policy applies to any form of advertising including print, Internet, and broadcast media.

MAP Rules

Internet Price Advertising. Internet price advertising is any price call out that is generally visible to customers who are browsing or shopping. For the purposes of these guidelines, price call outs on a particular product that become visible once a customer places that particular product in his shopping cart are not considered advertising. Price call outs that are visible only after a customer logs into a secure website with a user-specific log in identity and password are not considered advertising.

MAP Deviation Variance. On individual products, deviations of up to \$5 below MAP are permitted. On bundles consisting entirely of Apple products subject to MAP, deviations of up to \$25 below MAP are permitted. Otherwise, advertised prices must be at or above MAP.

Non-MAP Listed Apple Products and MAP Listed Apple Product Bundles. When bundling non-MAP listed Apple products with MAP listed Apple products, the advertised price of the bundle may not be below MAP for the sum of the MAP listed products.

Non-Apple Products and Services Rebates and Bundles. When bundling MAP listed Apple products with non-Apple products or services, the advertised price of the bundle may not be below MAP for the sum of the MAP listed Apple products.

ISP Rebates and Bundles. When bundling MAP listed products with Internet service provider services, the advertised price can be below the MAP price for the amount of the



rebate if the MAP price is displayed and the ISP rebate amount is displayed as such and subtracted separately.

Apple Sponsored End-user Promotions. Advertised prices below MAP that result from an Apple end-user rebate are allowable provided the advertisement indicates that the advertised price is due to an “Apple Rebate” or “Apple Promotion”.

Visual Conventions. Visual conventions designed to indicate prices below MAP (e.g., price strike-through) violate these rules.

Ad Review

To make it easier to create product advertisements that meet the MAP guidelines and Apple Identity Guidelines, Apple offers a free service to review advertising prior to publication. This service is available to all Authorized Apple Resellers. To take advantage of this service, complete the Advertising Prior Review Service Form available on ASW. Alternatively, materials may be faxed to 602-438-0720 or emailed to applefund.hq@apple.com for review.

Reseller Locations, Authorizations, and Updates

Resellers may only operate out of Apple-authorized locations. Resellers must notify Apple of new locations, additional or closed locations, or changes to company name, address, phone, fax, email, URL, or contact name using the form provided by Apple within thirty (30) days of such change, except as outlined below. The Reseller General Update Form (GUF) is on ASW. Approval of any such changes is at Apple’s sole discretion.

During periods of transition, Resellers are required to maintain comparable customer facing facilities and meet all sales, support, and service requirements.

Location Changes. Resellers must notify Apple prior to implementing any of the following for any location:

- Changing a selling location sales format, e.g., from a retail storefront to a business-only storefront;
- Changing the physical location from that of the current authorized location; or
- Adding a new authorized location.

Resellers are required to maintain the interior and exterior of each authorized location in a manner conducive to meeting the sales, delivery, service, and support requirements for Apple products.

Apple requires resellers to maintain a retail storefront, business-only storefront, or a non-storefront location to support the sale of Apple products to walk-in end user customers and businesses. All storefront locations and non-storefront locations must meet their respective requirements.



Resellers with a business-only storefront or non-storefront location must maintain an adequate number of Apple seed/demonstration units, including monitors, at their location or the customer site.

Resellers may not use any Apple trademark, service mark, logo, trade dress, design, “look and feel” (e.g., the design and layout of Apple’s retail stores or websites) in any manner at their locations that implies an endorsement by Apple.

Apple Sales Web

Continued acceptance of and compliance with the ASW terms of use is a condition of resellers’ and each individual’s continued access to ASW.

Any individual acting on behalf of authorized resellers (such as employees, agents, and contractors) and accessing any information on ASW agrees to all of the ASW terms of use. Resellers may review the ASW terms of use at <http://asw.apple.com>.

If reseller employees holding ASW access ends employment, that employee ceases to be eligible for ASW access. Resellers continue to be liable for current and former employee use of information obtained via ASW. It is each reseller’s responsibility to notify Apple immediately of employee terminations to ensure ASW access for the former employees is terminated. Send email notification of employee terminations to asw@apple.com.

Apple Assets. Reseller acknowledges that the materials it downloads from Apple Sales Web have restrictions on their usage; Reseller represents that it will read and agree to abide by any restrictions set out either in the materials themselves or on the Apple Sales Web page from which the materials are downloaded, as well as any Apple marks usage guidelines in the Reseller Agreement. Failure to adhere to these restrictions or any request by Apple will result in Apple taking appropriate measures to ensure that Reseller ceases any improper use of the materials, up to and including termination of the Reseller Agreement. Apple may modify the materials’ permitted usage at any time.

Customer Support

Resellers are required to provide support to customers before and after each sale. Presales support must be available through “face-to-face” contact at each authorized location or at the customer’s site.

Minimum Presale Support Requirements

Match needs with products. Resellers must help customers determine which Apple system configurations best meet the customers’ needs. Resellers must also provide customers with appropriate information, assistance, and advice about using Apple hardware, software, and peripherals.

Explain service and warranty. Resellers must explain Apple’s standard Limited Warranty, as well as AppleCare service and support programs.



Provide a detailed bill of sale. At the time of delivery of Apple products, resellers must provide each customer with an accurate bill of sale or other receipt that states the customer's name and address, date of sale, and the serial numbers of the Apple products sold. This document must clearly identify non-Apple components used in the product configuration (for example, third-party RAM) and modification of the components from the sealed box. Resellers must ensure that customers receive the appropriate Apple standard Limited Warranty statement and other Apple product documentation, as specified by Apple.

Minimum Post-sale Support Requirements

Resellers must provide post-sale support on Apple products by, at a minimum, referring customers to an Apple Authorized Service Provider or to Apple to perform specific product repairs.

Resellers may apply for authorization to perform specific product repairs according to the Apple Authorized Service Provider program.

For details on how to apply to become an Apple Authorized Service Provider, please see ASW or contact your Account Executive.

Credit Evaluation

If Reseller is purchasing directly from Apple, payment terms for all amounts due from Reseller to Apple are net thirty (30) days from the date of Apple's invoice unless those payment terms are modified by Apple. Apple reserves the right in its sole discretion to change such payment terms at any time.

If Reseller is purchasing directly from Apple, then Apple will establish a line of credit for Reseller. Such line of credit limits the aggregate amount of credit that may be extended at any time to Reseller for amounts owing to Apple under the Reseller Agreement or for any other sales or extensions of credit of any kind by Apple to Reseller. The amount of the line of credit may be adjusted upwards or downwards at any time as appropriate, at the discretion of Apple.

In exercising its discretion, Apple will consider and act upon the following, among other criteria: (1) the profitability and financial well being of Reseller, (2) whether current and accurate financial and business performance information are provided in a timely fashion by Reseller, (3) the amount and likely value of whatever collateral or credit enhancement has been provided, and (4) whether Apple is required to realize upon and liquidate such collateral or credit enhancement. Reseller and Apple acknowledge that the line of credit is subject to seasonal and other routine adjustments, both upward and downward, and each understands that such adjustments are within the ordinary and usual course of business between them.

If Reseller is purchasing directly from Apple, then Reseller will provide to Apple within sixty (60) days from the end of each quarter, quarterly financial statements and all information and reports provided by Reseller to any of their other major vendors. If such



information is not provided in a timely manner, Apple may suspend all sales to Reseller until such time as such information is provided.

Apple may place sales to Reseller on credit hold (i.e., suspend all sales to Reseller) whenever the outstanding balance owed by Reseller to Apple would exceed the line of credit or whenever Reseller fails to make payment to Apple in accordance with established terms or is otherwise in breach of the Reseller Agreement or any other agreement between Reseller and Apple.

Should there at any time be monies owing from Apple to Reseller whether under the Reseller Agreement or otherwise, and whether they be on account of price protection credits, advertising credits, warranty, service or otherwise, Reseller authorizes Apple to set off against any sums owed by Reseller to Apple any amount or other obligation (contingent or otherwise) owed by Apple to Reseller and apply them to any sums (whether or not then due) owed by Reseller to Apple.

Distribution

This policy applies only to products purchased directly from Apple. Products purchased from Authorized Apple wholesalers should be treated in accordance with the wholesaler's requirements.

Approved Ship-to Locations. Apple will ship products to Apple-approved reseller ship-to destinations in the U.S. only.

Drop-shipments. Upon request, Apple will drop-ship products to end user locations.

Designated locations. Resellers must report their ship-to locations to Apple by completing the General Update Form (GUF) found on ASW thirty (30) days in advance of any changes. Apple reserves the right to approve or deny all ship-to location updates.

Reseller orders that request a shipment to a location other than an approved ship-to location or a drop shipment to an end user location will be rejected. Locations other than reseller-owned locations will not be approved as Approved Ship-to Locations.

Internet Sales, Mail Order Sales, and Direct Mail Advertising

Internet and Mail Order Sales. Resellers are expressly prohibited from engaging in Internet and mail order sales of Apple products. This policy applies to all new, used, reseller-reconditioned, and factory refurbished Apple-branded products.

Apple will allow sales via an extranet (i.e., an intranet accessible to persons who are not employed by the reseller only by means of a user name and password that is used to gain access to the shopping area) if the customer accessing the extranet is a customer who previously physically visited an authorized location, purchased Apple products during that



visit, and received the user name and password as a result of that physical visit and purchase.

Direct Mail Advertising. Resellers may use direct mail advertising for Apple products under the following conditions:

- All direct mail advertising must include the disclaimer, "Apple products may only be purchased from Apple or at an Authorized Apple Reseller location." This disclaimer must appear clearly, in at least ten-point type, on each page of any direct mail piece that features Apple products. For electronic advertisements, the disclaimer must appear at the top of every page.
- All direct mail advertising featuring Apple products must be in compliance with Apple Corporate Identity Guidelines for Resellers and include the authorized Apple Reseller logo.
- Promotional mailings must target customers within local and regional markets. For more information on advertising Apple products, refer to the AppleFund Reseller Program Guidelines on ASW.

Apple Marks and Internet Keywords. Reseller may not use any Apple trademark, service mark, logo, trade dress, design, or 'look and feel' (e.g. the design and layout of Apple's retail stores or websites) at their locations in any manner that implies an endorsement by Apple. Further, unless Apple otherwise expressly authorizes in writing, Reseller may not bid on or obtain the rights to (or authorize others to bid on or obtain the rights to) any key word utilized by any search engine (including, but not limited to, Google, Yahoo and MSN) to return or prompt search results if such key word is, includes, or is confusingly similar to any Apple trademark or service mark, including without limitation 'iPod,' 'iPhone,' 'Mac,' 'MacBook,' 'iMac,' or 'Apple.'

Ordering and Receiving Apple Products

Resellers must purchase Apple products either from authorized Apple wholesalers, on terms decided between each Reseller and the authorized Apple wholesalers, or directly from Apple, except in specific instances where Apple authorizes in writing purchases from other sources.

Eligible products. Resellers are only eligible to purchase products that they are currently authorized in writing by Apple to sell.

Limited support and authorized transactions. Apple is not involved in setting the price, credit, shipment, or any other term of sale for products purchased from a wholesaler. Reseller-to-reseller sales (known as "transshipping") require prior written approval from Apple.

Use of Apple ID number. The unique Apple ID number assigned to resellers identifies individual authorized locations. Resellers must provide their unique Apple ID number when purchasing products.



Ordering directly from Apple. If resellers are authorized to purchase directly from Apple, Apple will accept orders for products available on Apple's authorized price list using only the following methods:

- Electronic Data Interchange (EDI). For information about EDI, contact your Apple sales representative.
- Apple's Online AppleStore for Resellers.

Apple will not accept orders submitted via fax, phone, email, or mail unless written authorization is given by Apple prior to the order being transmitted.

Product availability. Some products may be available in limited quantities. Apple reserves the right to restrict the number of each product that Resellers may purchase.

Order status via the Internet. Resellers may obtain order status information for direct orders using the order status tool located on the Apple Store for Resellers. Please refer to information posted on ASW about the features and functionality of this tool.

Canceling an order. Resellers wishing to cancel an order must contact Reseller SSO. Orders for all other products may be cancelled prior to the date each product is released for shipment. Requests for cancellation or changes received after these deadlines will be rejected. All cancellation requests must be submitted via fax or email.

Proof of Delivery (POD). Apple's delivery verification documentation shall be deemed proof that Apple products were received.

Resellers with questions about a delivery should contact Apple SSO for a copy of the delivery verification. Apple will provide upon request such documentation as generated by Apple's shipment tracking system within a reasonable time frame.

Problem shipments. Resellers must notify Apple SSO within ten (10) business days of receipt or refusal of a problem shipment. An SSO representative will assist each reseller with resolving issues related to products lost or damaged in transit and delivery of products not ordered. Resellers should be prepared to provide a purchase order number to expedite the inquiry.

Incorrect products shipped. In the event Apple ships products not ordered, resellers may return the products to Apple for a full credit.

Billing adjustments. Resellers that believe Apple has invoiced them incorrectly should contact Apple SSO.

Government End Users

Sales to Government End Users. Reseller may not use their Authorized U.S. Apple Reseller Agreement to respond to a competitive federal or state and local government procurement that will lead to a multi-year Indefinite Delivery Indefinite Quantity (IDIQ) contract or Blanket Purchase Agreement (BPA), or opportunities listed on Federal Bid



Boards such as FedBid Ops or Government Agency specific bid postings. In order to respond to a competitive federal or state and local government procurement of this type, the Reseller must qualify for and execute the Authorized Apple U.S. Government Sales Distribution Agreement and be required to adhere to the Apple U.S. Government Sales Distribution Policies and Practices. If you do not already have a U.S. Government Sales Distribution Agreement in place and you are interested in obtaining additional information, please contact fedisosales@apple.com, statelocalsales@apple.com or 1-877-41-APPLE (1-877-412-7753).

Business Development Funds (BDF) Eligibility for Sales to Government End Users. Resellers using their Authorized U.S. Apple Reseller Agreement for sales to Government End Users (as described above) are only eligible for BDF for qualifying product sales.

Sales to Third Party Promotional Companies

Unless Apple otherwise agrees in writing, Section 3.B(i) of the Agreement precludes sales by Reseller to third party promotional companies (companies that provide promotional services for their own or other companies' employees, suppliers, or customers through corporate gift programs, incentive programs, and other promotional marketing services or programs, whether or not they represent that products they acquire will not be resold.)

Credit or Financing (Flooring) Approval

Resellers must qualify with one of Apple's approved finance companies in order to obtain Apple-provided flooring interest support, if available. As a part of the finance company's application process, resellers must provide their unique Apple ID number. Resellers may establish flooring arrangements with any flooring company of their choice. However, Apple-provided flooring interest support, if any, is available only from Apple-approved flooring companies.

Apple financing. Resellers wishing to receive credit directly from Apple should contact their Apple sales representative.

Other financing. Resellers obtaining financing elsewhere must work directly with the financing company. Resellers are responsible for notifying Apple when financing is approved. Apple-provided flooring interest support, if any, is available only from Apple-approved flooring companies.

Credit/financing approval. Resellers have five (5) business days from the time they order products in which to obtain credit or financing approval. If the required approval is not obtained, the orders are subject to cancellation. Resellers are responsible for informing Apple or their financing company of how they want to use their available credit.

AppleCare Protection Plan (APP) Sales into the State of Florida. Resellers are not permitted to sell the AppleCare Protection to consumers in the State of Florida. Consumers resident in Florida may purchase the APP from Apple directly through the Apple Retail Stores or the Apple Online Store (store.apple.com).



Price Protection

Apple does not provide price protection for Apple iPod and iPod accessories for resellers who have a direct purchasing relationship with Apple.

Sales and Inventory Reporting

Resellers must submit sales and on-hand inventory reports to Apple using the guidelines listed below. At Apple's request, records supporting these reports must be made available to Apple at the each reseller's headquarters within a commercially reasonable time frame. Resellers with multiple locations must submit consolidated sales and inventory information to Apple.

Compliance with all sales and inventory reporting guidelines, including meeting all deadlines, is required for resellers to qualify for price protection.

Required Information

Sales reporting. A weekly EDI or web-based sales report must be provided listing products sold during the previous week. The report must include:

- Apple product numbers;
- Apple serial numbers (upon Apple's request).
- Customer names;
- Invoice dates;
- Reseller invoice numbers;
- Reseller product numbers;
- Ship-to addresses, including zip code;

Inventory reporting. The weekly EDI or web-based report includes products in each reseller's inventory at the end of the previous business week. The report must contain an itemized list of serialized and non-serialized products in inventory and include Apple product numbers and quantity on-hand.

Reporting Medium and Format

Electronic sales and inventory reporting. Apple's preferred method of reporting is EDI (Electronic Data Interchange). Resellers not currently employing EDI, upon obtaining written approval from Apple, may use other formats to report sales and inventory data. All reporting formats are subject to prior written approval by Apple and must meet Apple's reporting specifications. Resellers should contact their Apple account executive for information on submitting reports via EDI or use of alternate reporting methods.

Sales and inventory reporting deadlines. Reporting of sales and inventory information for a given weekly is due by 12:00 PM (Local Standard Time) on Monday the following week.

Should technical difficulties be encountered in the reporting process, resellers should immediately advise Apple Sales and Inventory Reporting via e-mail at gdv-us@group.apple.com and their Apple account executive.



Government End User Reporting

General. Resellers using their Authorized U.S. Apple Reseller Agreement for sales to Government End Users as described in the section Ordering and Receiving Apple Products are required to report these sales to Apple.

Frequency. Reporting of sales to Government End Users are to be sent to Apple monthly within three (3) business days after the end of the calendar month.

Format. Reseller will provide the following information to Apple:

- Government Parent Agency (e.g. Dept of Defense)
- Government Sub Agency (e.g. Army-Ft. Dix)
- Address, City, State and Zip Code
- Invoice Date
- Invoice Number
- Purchase Order Number
- Apple Part Numbers
- Product Description
- Qty Sold
- Standard Apple Cost to Reseller
- Extended Cost

Please see Attachment A for a sample template.

Training

Resellers are required to ensure that all personnel who sell and support Apple products are proficient on Apple's products, technologies, and solutions. Apple provides specific training that may be self-paced (e.g., web-based, CD, video, etc.) or instructor-led.

Apple recommends that resellers ensure that its sales employees selling Apple products maintain a minimum of Gold Level Member status in the Apple Sales Training Online web-based training program.

While resellers are not obligated to have Gold Level Member status, participation is an indicator of each reseller's expertise and Apple advocacy, and its absence or presence is one factor that may affect each reseller's authorization status.

Apple's training focuses on the following content areas:

- Apple Hardware;
- Apple Strategies and Markets;
- Apple Technologies;
- Compatibility;
- Internet;
- Macintosh Operating System;
- Multimedia;



- Networking;
- Selling Apple Products;
- Software Solutions;
- Support and Services.

See your Apple account executive or ASW for more information on available training options.

Transshipping

Resellers are expressly prohibited from transshipping Apple-branded products. This policy applies to all Apple-branded products. Apple may upon occasion authorize in writing an exception to this policy and authorize a reseller to transship products.