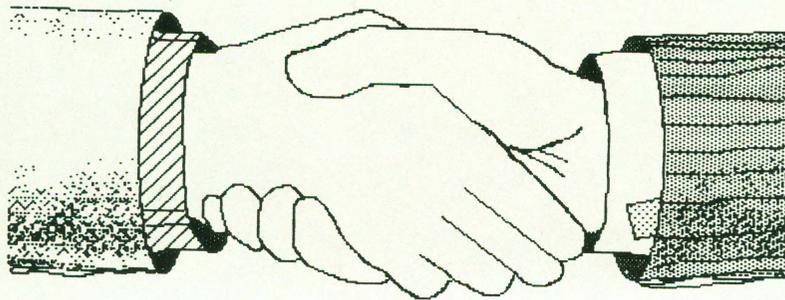




Co-op
Guidelines
Effective
July 1,
1985

1985 Apple Cooperative Advertising Program



Introduction

Welcome to the 1985 Apple Cooperative Advertising Program.

As our advertising partner on the local level, you have the opportunity to take the national Apple message and target it precisely to the needs of your customers. Apple sets the stage by creating brand-name awareness and interest; your follow-up can turn that interest into sales.

This year's guidelines are very similar to previous editions. However, the 1985 program has some important changes to help you make the most of your investment. Please make sure you understand these changes so that you can take full advantage of the program in the months to come.

Throughout 1985, Apple will again be providing you with top-flight tools for effective local advertising. We encourage you to take full advantage of these tools to build traffic, generate interest in Apple products, boost sales, and support special promotions.

Your advertising is as important to us as it is to you. Therefore, please take some time to familiarize—or refamiliarize—yourself with *all* the elements of the 1985 Cooperative Advertising Program.

Program Summary

1. The Apple Co-op Advertising Program allows dealers to accrue a budget for local advertising. The accrual will be equal to 3% of the total net shipments of products a dealer purchases from Apple Computer each month.
2. Based on this accrued budget, Apple will pay up to 75% of net advertising costs (at local retail rates, less all discounts and rebates) for actual space or time devoted to Apple products, **provided that a) dealer has sufficient co-op accrual, and b) the advertising complies with the terms and conditions of the program.** In other words, Apple can reimburse up to three dollars for each four dollars a dealer spends on qualifying advertising.
3. The month following each purchase begins a six-month period in which the dealer can spend the advertising budget accrued from that purchase. Claims submitted for advertising reimbursement are reviewed for compliance with the Co-op Advertising Guidelines by Apple's auditing agency, IDC Co-op Control. Claims are credited against the oldest available accruals. Any month's accrued budget not spent within the six-month period will expire (see chart).
4. All claims must be submitted within 90 days from the date the ad is run. Dealers are not reimbursed for late submissions.

January	February	March	April	May	June	July	August	September
Dollars Accrue							Jan. Accrual Expires	
	Dollars Accrue							Feb. Accrual Expires
		Dollars Accrue						

General Terms and Conditions

The Apple Co-op Advertising Program is designed to be fair, flexible, and adaptive to your needs. Please make sure that you understand the terms and conditions of the program to maximize your retail advertising effort.

1. Advertising must not be misleading as to price, product features, or specifications, or be in violation of any federal or state law, municipal ordinance, or administrative agency rule or regulation.

2. All Apple products featured in an ad must meet descriptive copy, product illustration, logo and trademark requirements. Advertising that only specifies Apple products (with the exceptions of peripherals and software) will not be reimbursed. (The Descriptive Copy Requirements section that follows should be referred to for specific details.)

3. *Descriptive Copy Requirements*

The purpose of Apple's Co-op Program is to provide authorized Apple dealers with an advertising budget whereby dealers may advertise Apple products at the local or retail level. The content of such advertising should reflect Apple's national advertising as well as the unique attributes of the authorized Apple dealer.

To more clearly establish Apple's product and brand identities, Apple has developed new descriptive copy standards which require that one or more of the following key product messages be included in all advertising copy: Apple product benefits, solutions, applications, or product positioning.

Key selling messages can be built around the following themes:

Product Solutions	Product Ease of Use
Product Expandability	Product Popularity
Product Versatility	New Product Enhancements
	Product Competitive Advantages

Refer to pages 19 and 20 for descriptive copy examples.

4. *All dealer co-op ads must comply with Apple logo and trademark guidelines. The supplemental Authorized Apple Dealer Logo and Trademark Guidelines booklet should be referred to for specific details.*

5. Co-op accruals are not transferable.
6. The co-op fund is available only during the six-month rolling accrual period in which it is earned; it cannot carry over into the next period.
7. **Any suspected error or discrepancy regarding a dealer's Co-op Advertising Accrual and Credit Statement or claim audit must be reported to Apple in writing within 30 days; otherwise, the dealer loses his opportunity to request a reaudit or accrual adjustment.**
8. Reimbursement for advertising that includes or mentions hardware products other than Apple products is based on the actual cost of the Apple portion of space or time, provided all co-op requirements are met. Dealers will be reimbursed for a proportionate share of the headline and dealer identification.
9. *Advertising that features software as part of an Apple product application or solution may receive full reimbursement provided the software feature does not exceed 25% of the total Apple ad.*
10. Advertising that mentions dealership locations not authorized to sell Apple products must state clearly that Apple products are available only at the authorized locations. Dealers are reimbursed a prorated portion for such ads. This portion is based on the number of authorized locations listed in the ad. Failure to comply with this condition means loss of reimbursement.
11. If an ad is shared by two or more dealers, written prior authorization from Apple is required to receive reimbursement. Reimbursement is based on the proportionate share of each dealer's participation in the ad.
12. Reimbursement for media is limited to qualifying media serving the dealer's local trading area. Regional or state-wide editions of magazines and newspapers qualify for reimbursement, but they must receive written prior authorization from Apple.
13. Apple does not directly reimburse a publication, broadcasting station, or any other supplier for advertising costs incurred by a dealer.
14. Apple Computer national advertising may not be reprinted or rebroadcast without written permission from Apple Computer.
15. If a dealer's authorized status is terminated for any reason, the entire unused co-op advertising budget automatically expires after all claims made before the effective date of termination are charged to it.
16. Apple may terminate or modify this Co-op Program upon 15 days notice to dealers. Such termination or modification does not affect claims for advertisements run before the effective date of the termination or modification.

Program Procedures

The following points outline the procedures for requesting and receiving co-op advertising reimbursement.

1. Submit all co-op advertising claims with required documentation within 90 days of advertising date to:

APPLE COMPUTER, INC.
% IDC Co-op Control
P.O. Box 3500
Reseda, CA 91335
(818) 989-6293

2. For media requiring prior approval, submit all Prior Approval Requests to:

APPLE COMPUTER, INC.
Co-op Advertising Department
10201 N. De Anza Boulevard, 23H
Cupertino, CA 95014
(408) 973-3559

Any advertising or media requiring prior approval that is utilized before such approval is granted by the Co-op Advertising Department is subject to denial of reimbursement.

3. After an audit to determine compliance with Apple's Co-op Guidelines, IDC Co-op Control notifies the local Apple Regional Credit Manager of the results. The credit manager, in turn, notifies the dealer of the audit results through a credit memo/statement issued to the dealer's account. COD customers should contact their local credit manager for issuance of a check.

4. If the current available co-op budget does not cover the total amount reimbursable on the claim, IDC will issue credit to the limit of available accrual.

5. All claims are considered closed upon submission. Additional co-op credit may not be applied at a later date against anticipated accruals.

6. All claims must be submitted within 90 days from the date the ad is run.

7. If a dealer's co-op accrual drops below zero due to a deduction for participation in any Apple sponsored media program, or for any other reason, the entire debit is due to Apple immediately. **This debit cannot be offset by anticipated co-op budget accruals or credits from Apple.**

Newspapers, Magazines, Local Publications, and Free Circulation Newspapers

Prior Approval Required

No. (Exceptions: National, regional, and statewide magazines.)

Media Requirements

1. Local and college newspapers, preprinted newspaper inserts, and ads in special supplements qualify. Such publications:
 - Must be accredited, regularly published media distributed in your local trading area.
 - Must have a printed rate schedule and circulation statement that can be verified.
 - Must contain at least 25% news or editorial.
 2. Programs of college sports tournaments, professional teams, and local community events also qualify.
 3. National, regional, and statewide magazines and newspapers require prior authorization.
-

Mechanical Requirements

1. All camera-ready ad material provided by Apple for co-op use automatically qualifies.
2. Ad size or space devoted to Apple products must be a minimum of 2 columns x 3.5 inches.
3. Ads must include an illustration of each Apple product featured.
4. *Ads must contain DESCRIPTIVE COPY—copy that identifies the benefits, solutions, applications, or positioning of the Apple product(s) being advertised. Model specifiers, sale dates, and prices are not considered descriptive copy.*
5. The Authorized Apple Dealer logo or the words “Authorized Apple Dealer” must appear prominently in each ad.
6. **All logo and trademark requirements must be met.** The supplemental Logo and Trademark Guidelines booklet should be referred to for specific details.

Reimbursement

1. Up to 75% of actual space costs (less frequency discounts and rebates) at local retail rates.
2. Apple will pay a prorated portion of ads in which other companies' hardware products are featured or mentioned, as long as all other requirements are met. *Ads including software as a component of an Apple product application or solution may receive full reimbursement, provided the software feature does not exceed 25% of the total Apple ad.*
3. Newspaper advertising allowances are redeemable only by the dealer whose name appears on the ad. Apple will not reimburse for production costs, agency fees, or any costs other than basic space costs.

Claim Documentation

1. Completed Apple Co-op Claim Form.
2. Copy of the original paid media invoice, including ad size, contract rate, total cost and date of each ad.
3. One full-page tear sheet of ad for each time ad appears, showing the name and date of the publication.
4. Copy of the Prior Authorization Request approved by Apple Co-op Department, when necessary.

Print Advertising Checklist

The following example demonstrates the elements you need to include in your print advertising to qualify for co-op reimbursement.

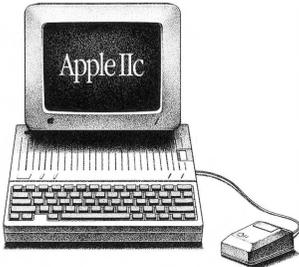
In order for Apple's products to be advertised most effectively, the following elements should be included in a minimum ad space of 2 columns x 3.5" or the equivalent.

Make sure you consider this checklist when creating your own ads.

Minimum Ad Space
2 cols. x 3.5"

Product
Illustration

Thinking of buying a computer for the home?



Descriptive
Product Copy

Come in and see why the Apple® IIc is the computer of choice for more children's education.

The Apple IIc has more educational software programs available than any other personal computer.

And take advantage of special savings this week: \$0000

XYZ Computers
(Address)
(Phone)



Authorized Dealer

Apple and the Apple logo are registered trademarks of Apple Computer, Inc.

Trademark
Acknowledgement

Authorized
Dealer Logo

Radio Advertising

Prior Approval Required

No.

Media Requirements

All FCC-licensed radio stations qualify.

Mechanical Requirements

1. All prerecorded broadcast material provided by Apple for co-op use automatically qualifies. Dealer may not alter or modify material in any way, or air a commercial beyond its specified expiration date.
 2. The identification of Apple products, "Apple," or "Apple Computer" must be made at least as often as the dealer's name, or any other manufacturer's product.
 3. For full reimbursement, 75% of radio advertising time must be devoted to Apple and must mention or feature Apple and/or its products. Dealer identification is not to exceed 25%.
 4. All commercials must state you are an authorized Apple dealer.
-

Reimbursement

1. Up to 75% of actual air time cost, at local retail rates.
 2. Apple will not reimburse for production costs, scripting, agency, talent, or sponsorship fees.
 3. Apple will pay a prorated portion of commercials in which other companies' products are featured or mentioned, as long as all other requirements are met. *Ads including software as a component of an Apple product application or solution may receive full reimbursement, provided the software feature does not exceed 25% of the total Apple ad.*
-

Claim Documentation

1. Completed Apple Co-op Claim Form.
2. Notarized copy of the ANA/RAB Electronic Proof of Performance Tear Sheet, or a notarized script provided by the radio station, stating number of ads run, date of each ad, rate per spot, and total cost, along with a corresponding invoice.
3. Original station invoice showing actual net rate of each commercial, with length, time, and date each spot ran.

TV Advertising

Prior Approval Required

No.

Media Requirements

All FCC-licensed TV stations and cable stations qualify.

Mechanical Requirements

1. All prerecorded broadcast material provided by Apple for co-op use automatically qualifies. Dealer may not alter or modify material in any way, or air a commercial beyond its specified expiration date.
 2. The identification of Apple products, "Apple," or "Apple Computer" must be made audibly at least as often as that of the dealer's name, or any other manufacturer's product.
 3. For full reimbursement, 75% of TV audio and visual time must be devoted to Apple and must feature Apple and/or its products. Dealer identification is not to exceed 25%.
 4. The Authorized Apple Dealer logo or the words "Authorized Apple Dealer" must appear prominently in each commercial.
 5. TV commercials must visually feature Apple products favorably and in equal share to other products.
-

Reimbursement

1. Up to 75% of actual air time cost, at local retail rates.
 2. Apple will not reimburse for production costs, scripting, agency, talent, or sponsorship fees.
 3. Apple will pay a prorated portion of spots in which other companies' products are featured or mentioned, as long as all other requirements are met. *Ads including software as a component of an Apple product application or solution may receive full reimbursement, provided the software feature does not exceed 25% of the total Apple ad.*
-

Claim Documentation

1. Completed Apple Co-op Claim Form.
2. Notarized copy of the ANA/RAB Electronic Proof of Performance Tear Sheet, or a notarized script provided by the television station, stating number of ads run, date of each ad, rate per spot and total cost, along with a corresponding invoice.
3. Original station invoice showing actual net rate of each commercial, with length, time, and date each spot ran.
4. Copy of storyboard.

Yellow Page Display Ads

Prior Approval Required

Yellow Pages
No.

Neighborhood Directories
Yes.

Media Requirements

Research shows that neighborhood directories are not yet established as viable replacements for or supplements to the Yellow Pages. Therefore, Apple does not recommend advertising in neighborhood directories and, in most cases, does not reimburse such advertising.

Mechanical Requirements

1. Apple reimburses display ads only.
 2. The Authorized Apple Dealer logo or the words "Authorized Apple Dealer" must appear prominently in each ad.
 3. Display ads larger than double-quarter column size must illustrate Apple Computer's merchandise.
 4. All logo and trademark requirements must be met. The supplemental Logo and Trademark Guidelines booklet should be referred to for specific details.
-

Reimbursement

1. Up to 75% of the actual space occupied by Apple Computer in display advertising, plus reimbursement for a portion of dealer headline area, not to exceed 25%.
 2. Reimbursement will be based on prorated square-inch or column rate of dealer's local market directories.
 3. Apple will not reimburse costs for color ink.
-

Claim Documentation

FULL-YEAR OR MONTHLY REIMBURSEMENT

1. Completed Apple Co-op Claim Form.
2. Actual Yellow Pages tear sheet for each directory.
3. A Co-op Confirmation Report for each directory, including monthly and yearly breakdown of charges.

**Yellow Pages
National Trademark Listing Program**

Under Apple's trademark listing in the computer section, a dealer's store can be listed for a small fee.

For assistance regarding the National Trademark Program, the dealer should contact:

WAHLSTROM WEST
2200 W. Artesia Boulevard
Compton, CA 90220
(213) 635-8030
ATTENTION: Apple Computer Account Group

Direct Mail; Product Mailings, Store Brochures

Prior Approval Required

No.

Media Requirements

Generally speaking, dealer newsletters do not qualify. However, newsletters that devote specific ad space to Apple products will be reviewed for co-op reimbursement provided a Prior Authorization Request is submitted to Apple.

Mechanical Requirements

1. No more than 25% will be reimbursed on dealer identification.
2. Piece must include an illustration of each Apple product featured.
3. *Direct mail pieces must contain **Descriptive Copy**—copy that identifies the benefits, solutions, applications, or positioning of the Apple product(s) being advertised. Model specifiers, sale dates and prices are not considered descriptive copy.*
4. The Authorized Apple Dealer logo or the words "Authorized Apple Dealer" must appear prominently in each ad.

5. Store brochures must devote specific ad space to Apple products and include a "call to action" (a motivating impetus to visit store). Apple will not reimburse general editorial space as contained in store newsletters.

6. Brochures must prominently include the following statement (or the equivalent) on each page on which Apple products are shown and on all order forms: "Apple products are not available by telephone or mail order. Come into our store for a hands-on demonstration."

7. All logo and trademark requirements must be met. The supplemental Logo and Trademark Guidelines booklet should be referred to for specific details.

Reimbursement

1. Up to 75% of list rental cost.

2. Up to 75% of printing costs only. Apple will not reimburse for layout, design, production, photography, or agency fees.

3. Up to 75% of postage costs.

4. Apple will pay a prorated portion of direct mail flyers in which other companies' hardware products are mentioned, as long as mechanical requirements are met. *Ads including software as a component of an Apple product application or solution may receive full reimbursement, provided the software feature does not exceed 25% of the total Apple ad.*

Claim Documentation

1. Completed Apple Co-op Claim Form.

2. One copy of the direct mail piece, and an itemized printer's invoice.

3. Postal receipts noting quantity, weight, and date mailed.

4. If mailing is done in-house, a signed letter from an officer of the company is required, stating the quantity mailed and the breakdown of printing and postage costs.

Billboards, Transit Advertising

Prior Approval Required

Yes. Billboards will not be reimbursed without prior approval from Apple.

To receive prior approval, the dealer must submit a completed Co-op Prior Authorization Request to Apple Computer, along with the following items:

- A complete graphic illustration of the proposed sign or billboard.
 - An estimate from the advertising company showing the months the billboard will be displayed and the breakdown of production costs for the entire billboard.
-

Media Requirements

Not applicable.

Mechanical Requirements

1. Billboards and signs must contain the Authorized Apple Dealer logo. The Apple logo must be at least one-third the size of the dealer's name.

2. Apple will not reimburse for billboards that mention or feature other manufacturers' or their products.

3. All artwork is subject to Apple approval. The supplemental Logo and Trademark Guidelines booklet should be referred to for specific details.

4. Refer to the next page for guidelines on billboard layouts.

Reimbursement

1. Up to 75% of space rental; up to 75% of certain costs related to production and installation of billboard.

2. Apple will not reimburse for layout, design, photography, talent, and/or agency fees including commissions.

Claim Documentation

1. Completed Apple Co-op Claim Form.

2. Photo of billboard.

3. Itemized invoice showing months posted and number of Apple boards.

4. Itemized invoice of production/installation costs submitted for reimbursement consideration.

5. Copy of Prior Authorization Request approved by Apple Co-op Department.

Billboard Example

The layout that follows illustrates Apple's guidelines for creating billboard advertising. Please make sure that you consider these guidelines before designing your own billboards: **All artwork must be approved by the Apple Co-op Department prior to production.**

- The Apple name must be ITC Garamond Condensed (Apple typeface).
- The Apple logo must always appear in lower righthand corner and be accompanied by the words "Authorized Dealer."
- On painted billboards, the color Apple logo (colored bars) must be used.
- The message and store directions should be as brief as possible.
- *Apple does not offer co-op reimbursement for billboards containing other manufacturers or their products.*

We've got an Apple® for every appetite.

Apple IIe Apple IIe Macintosh Macintosh XL

Hometown Computer.

© 1985 Apple Computer Inc. Apple and the Apple logo are registered trademarks of Apple Computer Inc. Macintosh is a trademark licensed to Apple Computer Inc. Authorized Dealer

Outdoor Signage

Prior Approval Required

Yes. Outdoor signs may not be produced until the dealer receives prior approval from Apple on the artwork.

1. The dealer must submit a completed Co-op Prior Authorization Request to Apple Computer, along with:

- A complete graphic illustration of the proposed sign.
- The proposed location of the sign in relation to the dealer's store.
- An itemized estimate of production costs to be incurred.

Media Requirements

Not applicable.

Mechanical Requirements

1. Signs must contain the Authorized Apple Dealer logo.
2. The Authorized Apple Dealer logo must be at least one-third the size of the dealer's name.
3. Apple will reimburse dealer for signage that is shared with another manufacturer, as long as sign fulfills Apple's minimum spacing requirements (as clarified in the Logo and Trademark Guidelines).
4. All artwork is subject to Apple approval. The supplemental Logo and Trademark Guidelines booklet should be referred to for specific details.

Reimbursement

1. Up to 75% of the cost of manufacturing, installation, and rental of sign.
2. Apple will not reimburse for layout, design, photography, or agency fees.

Claim Documentation

1. Completed Apple Co-op Claim Form.
2. Photo of sign.
3. Itemized invoice showing installation date and complete breakdown of costs.
4. Copy of Prior Authorization Request approved by Apple Co-op Department.

Trade Shows, Seminars, Workshops

Prior Approval Required

Yes.

1. The dealer must submit a completed Co-op Prior Authorization Request to his Apple Sales Representative, along with:

- An estimate of expenses for space rental, invitations, and supporting advertising costs.
 - Specific details of event (date, product, audience, etc.).
-

Media Requirements

The following qualify for reimbursement:

1. Space rental cost.
 2. Invitations.
 3. Advertising support in media outlined in this co-op program.
-

Mechanical Requirements

All advertising support must meet basic requirements outlined in its media category.

Reimbursement

1. Up to 75% of the cost of rental space.
 2. Up to 75% of qualifying advertising support.
 3. Non-advertising costs or personal expenses (such as hotel, food, transportation, audio-visual equipment, electrical hook-up, and shipping costs) are not reimbursable.
-

Claim Documentation

1. Completed Apple Co-op Claim Form.
2. Approved Prior Authorization Request signed by the Apple Sales Representative.
3. Itemized invoice for space cost, room, or booth rental fee.

Product Giveaways, Auctions, (Miscellaneous)

Prior Approval Required

Yes. Generally speaking, Apple will reimburse only those items included in the Guidelines. Dealers with special requests must receive prior approval from Apple.

The dealer must submit a completed Co-op Prior Authorization Request to Apple Computer, along with any supporting materials to back up the request.

Media Requirements

Equivalent media value must be obtained in exchange for the retail value of a giveaway.

Mechanical Requirements

Only one basic Apple system will be reimbursed for each product giveaway or auction.

Reimbursement

Up to 75% of portion approved on Prior Authorization Request.

Claim Documentation

1. Completed Apple Co-op Claim Form.
2. Copy of Prior Authorization Request approved by Apple Co-op Department.
3. Invoice or other documentation to substantiate the claim.

Examples of descriptive copy statements that *DO* meet Apple requirements are:

Apple IIe

The Apple® IIe Professional System. The IIe Professional System is the perfect small business tool. It includes 128K, DuoDisk™ and Monitor IIe, and it also has the expandability that business people are looking for. The IIe Professional System has over 10,000 programs available for it, and those programs include some of the finest business programs ever developed.

The Apple® IIe can run the world's largest library of personal computer software—over 10,000 different programs. Not only the latest advanced programs for all the standard business applications including word processing, spreadsheets, data base management, and accounting—but also thousands of highly specialized programs for every area of human endeavor.

Apple IIc

Apple IIc

For Home. For Work.
For Everywhere in between.
Compact, yet powerful.

Holiday Computer System consists of the Apple® IIc, Monitor IIc and Monitor Stand. You get the power of 128K and the flexibility of over 10,000 available programs. This is the same computer your children use in school. Use it to learn arithmetic, spelling, foreign languages, or study for the S.A.T. More education is available for the IIc than for any other computer.

Macintosh

Come See Macintosh™

The Computer for the rest of us.
Why Macintosh?
Because it's the most powerful personal computer in the world!
Because you can learn to use it in hours, not weeks!
Because it runs hundreds of business software programs!

The 512K Macintosh™

Announcing Apple's new 512K Macintosh computer that combines easy-to-use "mouse technology" with more speed and four times the storage of the original Macintosh. See it run a wide variety of software. Three hours of system training included with your purchase.

Save \$000

Macintosh™ is worth a bundle to your business. As your needs grow, so does Macintosh. Plus, now we're offering a complete office system that won't cost... well, a bundle. You get our 512K memory Macintosh with keyboard, mouse and built-in drive, plus;

- Second external drive
- The Image Writer high-quality dot matrix printer
- MacWrite and MacPaint software
- Our two hour orientation class

Macintosh now appearing in better businesses everywhere.

Advertising that merely states product features, model specifiers, sale dates, and prices *does not* meet descriptive copy requirements. Examples of descriptive copy statements that DO NOT meet Apple requirements are:

Apple II

Apple IIe

- 128K Memory
- Apple DuoDisk™
- Apple Monitor II
- 8 Expansion slots

Apple® Systems

IIc Complete Family/Home System \$0000

128K IIc computer, 9" monitor IIc and stand, second drive with Scribe® printer. *Price quoted is after \$00 Apple rebate. Store price is \$0000.

IIe Complete Professional/Home System \$0000

128K IIe ImageWriter™ printer with interface DuoDisk™ 80 column card 12" monitor IIe.

Macintosh

Macintosh™ — Special savings on our Business Bundle \$0000. Includes:

- 128K
- Two Disk Drives
- ImageWriter™
- MacWrite™
- MacPaint™

128K Macintosh™ — Personal Computer Pac \$0000

Pac includes Macintosh computer ImageWriter printer and cable, MacWrite and MacPaint.

512K Macintosh™ — This week only — Business Computer Pac \$0000



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