

Canon

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**RESELLER SALES DIVISION
PREMIER PARTNER GUIDE**

**IMAGEFORMULA
DR-SERIES / CR-SERIES / ScanFront SCANNERS**

Q2 2008

April 1, 2008 - June 30, 2008





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Dear Canon USA Premier Partner:

Partnering with Canon can help drive your sales revenue and profits and help us both reach our mutual business objectives. As a Canon Premier Partner for the imageFORMULA products, a variety of programs are made available to you.

We are pleased to announce our new multi-tiered Scanner Premier Partner Program. Now, as an enhancement to our highly successful Premier Partner Program, qualifying resellers will be eligible to participate in Canon's Elite Premier Partner Program.

In addition to all of the current advantages of the base program, the Elite Program provides the opportunity to reap even greater rewards for partnering with Canon. The following pages will identify not only the components of the base program but also the additional advantages of the Elite Premier Program.

Canon USA, Inc. ("Canon USA") is pleased to announce the Canon USA, Inc. Image Filing Systems Products Minimum Advertised Policy and Guidelines (collectively the "Policy"). The purpose of the Policy is to ensure that Canon Image Filing Systems Products are marketed effectively and that customers for these products receive appropriate sales support. This will preserve and enhance the reputation of Canon Image Filing Systems Products for superior quality and thereby encourage the long term success of Canon USA and its channels of distribution. The full Policy is included in this document.

For additional information on our programs and products, log on to our website at www.canonresellers.com or contact your assigned Canon Account Executive. A listing of our Account Executives and the territories they cover is available on our website.

In addition to an assigned Account Executive, we offer the following a toll-free assistance numbers:

Reseller Resource Number: **1-800-556-6321**

Pre/post Sales Support: **1-800-423-2366***

* When calling for pre/post sales support on a product, you must provide the technical support person with the specific model number of the product in question.

Sincerely,

Patrick Guinan
Director Business Development
Retailer / Distributor Sales Division
Canon U.S.A.

Premier Partner Program Eligibility Requirements and Terms and Conditions

- Premier Partners must be pre-authorized through their Account Executive as listed on www.canonresellers.com.
- Annual minimum purchase of \$120K.
- Adherence to Canon's Minimum Advertised Pricing (MAP) Program
- All authorized Premier Partners will receive a Canon Premier Partner Certificate.
- If a Premier Partner has a website advertising product, the DR-Scanners must be prominently displayed and marketed.
- The Premier Partner Program is a Canon U.S.A. program and sales made to maintain eligibility and to qualify for benefits of this program must be made in the United States to end-users only.
- Individual promotions and programs may have additional terms and conditions that apply.
- Canon reserves the right to revise or discontinue this program at any time without notice.

Elite Premier Partner Program Eligibility Requirements and Terms and Conditions

Elite Partners must meet all of the requirements listed above as well as the following:

- Elite Partners must have achieved the base level of \$120K in sales in the previous calendar year.
- Targets for 2008 goals will be based 2007 sales achievement; contact Account Executive for target.
- Base Premier Partners may be eligible to qualify as a Elite Partner during the Second Half of the current calendar year by achieving sales of \$60K during the First Half.
- To maintain eligibility, Elite Partners must achieve sales of \$30K for three consecutive quarters in the current calendar year.
- If an Elite Partner has a website, the Canon DR-X10C scanners must be prominently positioned and actively marketed on the site.
- Elite Partners must be promoting and actively marketing Canon scanner in the field.
- Elite Partners must complete two (2) Direct Mail Campaigns per year using the Canon Reseller Communicator tool.



**CANON U.S.A., INC.
IMAGE FILING SYSTEMS PRODUCTS
MINIMUM ADVERTISED PRICE POLICY
EFFECTIVE February 20, 2008**

Canon U.S.A., Inc. (“Canon USA”) has implemented a Minimum Advertised Price (“MAP”) policy and MAP Policy Guidelines (collectively the “Policy”) for certain Canon Image Filing Systems products identified by Canon USA in a separate schedule to this Policy, as such schedule may be amended by Canon USA from time to time (the “IFS Products”). The purpose of the Policy is to ensure that Canon USA Image Filing Systems Products Premier Partner Resellers, Canon USA Image Filing Systems Products Dealers, Canon USA Office Imaging Dealers and Canon USA Office Products Dealers (each a “Reseller”) market IFS Products effectively and that customers for these Products receive appropriate sales support.

The Policy has been unilaterally adopted by Canon USA and will be uniformly enforced. Canon USA is not seeking agreement from any Reseller to adhere to the Policy. It is entirely within the discretion of the Reseller to comply or not comply. The terms of the Policy are as follows:

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- Canon USA will refuse to honor any rebates to which a Reseller would otherwise be entitled under any Canon USA program where such Reseller advertises the IFS Products below the minimum advertised prices set forth in Canon USA’s published price list for such products or otherwise violates the Policy. This refusal will be entirely unilateral without any implied or explicit agreement with Resellers regarding advertised prices. Canon USA Sales Reps will not discuss the Policy with Resellers in any way in order to avoid any communications that could be misinterpreted to imply an agreement to set prices.
- The Policy applies only to advertised prices for IFS Products. Resellers may set and negotiate actual resale prices without limitation.
- Mark Machida is the only person authorized to amend, interpret and make decisions regarding the Policy. Questions regarding the Policy must be submitted in writing, as follows, to:

Canon U.S.A., Inc.
Attention: Mark Machida
3 Dakota Drive
Lake Success, NY 11042

- The Policy applies to (1) all Resellers, (2) all types of advertising, including, without limitation, print ads in newspapers, periodicals, trade journals, and other print media, radio ads, TV ads, direct mailers, catalogues, and all communications of price accessible by internet, and (3) all websites owned by Resellers and all websites that include advertising of IFS Products by Resellers.
- Resellers are solely responsible for their compliance with the Policy. Canon USA will not review ads in advance to determine compliance or otherwise approve any Reseller plans submitted to Canon USA. Resellers that otherwise advertise in accordance with the Policy will still be in violation of the Policy if they supply, or support, other entities who distribute IFS Products and who advertise IFS Products in violation of this Policy (including, without limitation, other Resellers).
- Upon a Reseller's failure to comply with the Policy, Canon USA will unilaterally decide whether, and to what extent, it will refuse to honor Reseller's claims for rebates. These decisions are irrevocable and will not be changed in any way based on a Reseller's commitment regarding future practices. Resellers should not communicate their intentions regarding MAP or the Policy to Canon USA in any way.

Canon USA greatly values the efforts of Resellers to distribute IFS Products and support our mutual customers. We are confident that you understand our commitment to customer satisfaction and our need to communicate this Policy clearly and concisely to meet legal requirements and avoid misunderstandings. This Policy may be terminated or changed by Canon USA at any time in its sole discretion.



CANON U.S.A., INC.
IMAGE FILING SYSTEMS PRODUCTS
MINIMUM ADVERTISED PRICE POLICY GUIDELINES

Canon U.S.A., Inc. (“Canon USA”) has adopted these Minimum Advertised Price (“MAP”) Policy Guidelines (the “Guidelines”) for certain Canon Image Filing Systems products (“IFS Products”), identified by Canon USA in a separate schedule to the Policy accompanying these Guidelines (defined below), and sold by Canon USA Image Filing Systems Products Premier Partner Resellers or Canon USA Image Filing Systems Dealers (each a “Reseller”). The purpose of the Policy in general, and these Guidelines in particular, is to protect Canon USA’s reputation for providing its customers with high value products and strong sales support. Canon USA’s policy with respect to MAP is set forth in the Canon U.S.A., Image Filing Systems Products Minimum Advertised Price Policy (the “Policy”). These Guidelines are referenced in, and are made a part of, the Policy.

MAP is the minimum advertised price at which Resellers can advertise an IFS Product subject to the Policy. Resellers may set and negotiate actual sales prices without limitation. Canon USA will provide Resellers with the MAP, if any, for new IFS Products when introduced, or when existing prices are changed.

The following MAP guidelines apply to the IFS Products:

- These Guidelines apply to the advertising of prices for IFS Products to end-users as more fully set forth in the Policy.
- Ads listing third party services or purchase incentives such as free shipping, free software, free installation or any other add-on products (collectively the “Incentives”) comply with these Guidelines where the advertised price of the IFS Product complies with the MAP and the price or value of such Incentives is not specified, or where the combined price of the IFS Product and the Incentives advertised is less than the MAP.
- Two or more IFS Products may be featured in the same ad, provided that none of the advertised prices in the ad are below the MAP. Ads featuring IFS Products bundled with third party products are within these Guidelines where the advertised price for each IFS Product meets or exceeds the MAP or where the price for each IFS Product is not determinable from the ad.
- Two or more IFS Products subject to the MAP may be featured in the same ad, and advertised at a combined price, where such advertised price is not less than the sum of the MAP prices of such IFS Products advertised. IFS Products that do not appear on the MAP schedule may be combined with IFS Products that do, but any prices advertised for the IFS Products subject to the MAP must not exceed the MAP for that product.

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- Any ad offering a percentage discount off the list price published by Canon USA for an IFS Product covered by the MAP is within these Guidelines only if the resulting advertised price is equal to or greater than the MAP.
- Advertising without prices does not violate these MAP Guidelines if actual prices are not shown. For example, “Call for Price” advertising or, with respect to the internet, prices on Reseller’s website other than the main product page, are permissible. The “main product page” means the first page of the Reseller’s website to display specific product details including product images, names and prices.
- All offers that advertise that IFS Products are sold below the MAP violate these Guidelines.

These MAP Guidelines may be changed by Canon USA
at any time in its sole discretion.



Canon Premier Partner Advantages

Premier Partner Program Synopsis

Premier Partner Advantages and Promotions	Base	Elite	Page
Pre-authorization required	X	X	8
Premier Partner Certification	X	X	8
Annual Minimum Purchase	X	X	8
Quarterly Performance Growth Bonus	X	X	8
Automatic Tracking and Reimbursement	X	X	10
Inside Pre/Post Sales Support	X	X	10
Dedicated Reseller Website	X	X	10
Assigned Account Executive	X	X	11
Market Development Contact	0	X	11
Market Development Support	X	X	11
Sales Lead Referral Program	X	X	11
Golden Eagle Sales Incentive Program	X	X	11
Enhanced Golden Eagle Program	0	X	11
Direct Mail Program	X	X	12
Reimbursed Direct Mail Campaign	0	X	12
Discounted Demo Unit Program	0	X	12
DR-X10C Program	0	X	12
Sales Tools	X	X	12
Product Literature	X	X	13
Web-based Training	X	X	13
Webcasts	X	X	13
On-site Training	X	X	13
Solution Provider Roundtable	X	X	13
CDIA Training and Exam Reimbursement	X	X	14
Newsletters	X	X	14
Service Contracts	X	X	14
Partner Recognition	X	X	14

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Quarterly Performance Growth Bonus—Base Program

Description

Premier Partners are eligible to participate in Canon's Quarterly Performance Growth Bonus Program. By achieving quarterly sales goals, Premier Partners can earn up to a 4% growth bonus. With an annual calendar commitment of \$120K, Premier Partners will receive reimbursement on the following schedule:

- \$30,000 – \$49,999 per quarter = 2%
- \$50,000+ per quarter = 4%

Quarterly Performance Growth Bonus—Elite Partners

Description

Elite Premier Partners are eligible for the following payouts:

- Earned payout on actual quarterly achievement
- 8% payout on sales growth over 2007 sales or previous half year
 - 4% accrued co-op rebate
 - 4% co-op funds to be used for marketing purposes; i.e., direct mail, trade shows, advertising, etc.

Guidelines—Base/Elite Program

- Premier Partners must be pre-authorized by Account Executives and have registered on www.canonresellers.com
- Annual minimum purchase commitment is \$120K.
- Only scanner products (and related options, accessories and service agreements) purchased from Canon's Authorized Distributors, as listed on www.canonresellers.com, will count toward eligibility.
- Any purchases that have been reimbursed under another Canon rebate program or are supported by our bid-support program are ineligible for reimbursement under the Premier Partner Quarterly Performance Growth Bonus program. The following products* are eligible:
 - Document Scanners
 - DR-1210C
 - DR-2010C
 - DR-2050C
 - DR-2050SP
 - DR-2510C
 - DR-2580C
 - DR-3080CII
 - DR-4010C
 - DR-5010C
 - DR-7080C
 - DR-7580
 - DR-9080C
 - DR-X10C
 - DR-Scanner Options and Accessories
 - Check Scanners
 - CR-55
 - CR-25
 - Network Scanners
 - ScanFront 220
 - ScanFront 220P
 - Extended Service Agreements and Exchange Program Service Packages (Must be purchased direct from a Canon authorized distributor.)

- Authorized Premier Partners will be given an initial 90-day grace reimbursement of 2% on all qualified purchases. Purchases of qualifying products can be made from any of Canon's Authorized Distributors, as identified on www.canonresellers.com.
- If a Premier in the Base Premier Partner Program fails to maintain the quarterly sales requirements for two consecutive quarters, they may be dropped from the program.
- To maintain eligibility, Elite Partners must achieve sales of \$30K for three consecutive quarters in the calendar year.
- Canon reserves the right to revise or discontinue this program at any time without notice.

* Product offerings are subject to change without notice.

Automatic Tracking and Reimbursement

Sales will be tracked automatically through our Authorized Distributors' Point-of-Sale reports and earned reimbursement will be sent automatically within 30 days following the end of the calendar quarter. Payment will be made based on an estimated reseller cost from distribution. Once processed, submission of claim form will not be accepted.

Inside Pre/Post Sales Support

Canon Information Technologies Services (CITS) has a trained staff of sales support personnel who can guide you through questions that arise during the sale. The CITS staff will also provide technical support once the sale is complete. This service ensures that your reps receive the pre-sales and post technical support they need. The toll-free pre/post sales support help line is 1-800-423-2366. Callers must provide the specific model number in order to obtain assistance.

Dedicated Reseller Website

www.canonresellers.com is our resellers' one-stop resource for product and marketing information. With 24/7 availability, this site is ready to serve you whenever your needs arise. The following information can be found on our site:

- Product information
 - Brochures
 - Spec Sheets
 - User Manuals
 - Product Updates
 - Warranty Information
 - Product Presentations
- Sales Tools
 - Pricing
 - Sales Guides
 - Image Library
 - Press Releases
 - Display Banners
 - Video Presentations
 - Media Reference Guide
 - Competitive Information
- Marketing Programs
 - Instant Rebates
 - Trade-in Program
- Distributor Matrix
- Technical Information
- Success Stories
- Collateral Orders

Assigned Account Executive

Your assigned Account Executive can help you customize Canon's programs to fit your business model. We offer support for trade shows and open houses, end-user sales calls and assistance with local advertising opportunities. Your Account Executive will also coordinate product training for your reps.

Market Development Contact—Elite Partners

Elite Premier Partners will have access to Canon's Premier Partner Program Administrator. This person will work directly with our Elite partners, assisting them on a day-to-day basis. Through this liaison, Elite partners will have direct access to Canon's Reseller Marketing Team.

Market Development Support

We offer leading-edge programs customized by you and your Account Executive to meet your particular business model. With an assigned Canon Account Executive, you can take advantage of our Marketing Development Funds (MDF) for activities such as local advertising funding and customized direct mail support. Canon will also provide highly skilled technical resources from Canon headquarters to support your trade shows and open houses.

Sales Lead Referral Program

Premier Partners will qualify to receive leads generated from our website as well as from trade shows, software events, technology shows and any other sources such as demand generation efforts. Premier Partners will be expected to provide follow-up on leads received.

Golden Eagle Sales Incentive Program

We offer the opportunity to participate in a variety of sales incentive programs that offer SPIFFs throughout the year. Our primary means for rewards is through a program called Golden Eagle. Following a one-time enrollment, your representatives will have direct access to their online account. In addition to making purchases through an online catalog, points earned can be used to order gift certificates and gift cards. Golden Eagle points can also be transferred to a debit card that can be used at a variety of local merchants.

Enhanced Golden Eagle Program

In addition to the standard Golden Eagle Program, Elite Premier Partners are eligible to participate in the Golden Eagle Elite Performer Exception Purchase Option. Once an Elite Performer has accumulated 2,500 Golden Eagle Points, exception purchases can be made for items not currently available through the normal Golden Eagle selections. All requests will be reviewed and are subject to approval by Canon USA. Exception Purchases cannot be used toward medical or cosmetic procedures, income or property taxes, gift certificates, lease or loan payments for credit cards, homes, cars, etc. or to reimburse participants for purchases already made.

Documentation as proof of future purchase is required. There is a minimum check fee of \$1,000. A service fee is required for all purchases and will be determined by the total amount of the purchase price. See Golden Eagle Program Policies and Instructions for additional details.

Direct Mail Program

As an authorized Premier Partner, you will have the opportunity to participate in our new Online Direct Mail Program. The Canon Reseller Communicator provides the opportunity to customize a variety of direct mail and marketing pieces.

Your logo and contact information will be customized on the mailer, with all sales leads contacting you directly. In addition, you will have several areas on the pieces to add your own copy. Once launched, you will be able to target a variety of vertical markets in your area. Reimbursement may be available by working with your Account Executive.

Reimbursed Direct Mail Program

Elite Partners are required to participate in two Canon Reseller Communicator direct mail campaigns per calendar year. All expenses for said campaigns are fully reimbursable through the co-op program.

Discounted Demo Unit Program

Demo units are available on our products at discounted prices. Your Account Executive will work with you to determine the most appropriate product to purchase under this plan.

DR-X10C Program

Resellers who are eligible to participate in our Elite Premier Partner Program will automatically qualify for additional DR-X10C Program benefits. Please contact your AE for details.

Additional select resellers will be included in our DR-X10C Program, based on past performance with competitive production level scanners. To maintain status in this program, qualifying resellers will need to meet the following performance criteria:

- Sales of at least two (2) DR-X10Cs for the first six (6) months of the calendar year
- Minimum of \$60k in sales of DR/CR/ScanFront scanners and accessories during the first six (6) months of the calendar year

Each participating reseller's performance will be evaluated every six (6) months; formal reviews will be performed annually.

Sales Tools

Our Sales Tools are customized for each product. Many of our Sales Tools are available in hard copy; all can be accessed on our website at www.canonresellers.com. Our Sales Tools include, but are not limited to:

- Competitive Comparisons
- Display Banners
- Success Stories
- User Manuals
- Image Library
- Sales Guides

Product Literature

In addition to ordering hard copies of our complete line of product brochures, all collateral material is available on our website and can be downloaded.

Web-based Training

Learn about our products at your convenience by visiting our training section. Your sales representatives can log on to our website at any time to take advantage of this innovative training. These interactive web training courses are a fun way to learn about our products at a time that is convenient to your schedule. A variety of on-line courses are available through www.canonresellers.com. We currently offer the following web courses:

- DR-1210C Document Scanner
- DR-2000 Series Document Scanners
- DR-3000 Series Document Scanners
- DR-4010C Document Scanner
- DR-5010C Document Scanner
- DR-7080C Document Scanner
- DR-7580 / 9080C Document Scanners
- ScanFront 220 / 220P Network Scanners

Webcasts

As part of Canon's commitment to assist you in selling our products, we will arrange interactive training webcasts for your sales representatives. The webcasts give you a fast and easy way to learn about our products without leaving the office! Most sessions are 45-minutes in length and are conducted by a Product Manager. During each session, you will learn about the product's capabilities as well as the product's unique competitive advantages. You will also have an opportunity to interact with the moderator and Product Manager throughout the sessions.

We will also provide the opportunity to partner with you to offer a webcast to your customers to learn about Canon products.

On-site Training

When web-based training or a webcast is not quite enough, our Account Executives will coordinate with you to set-up on-site product training for your sales representatives.

Solution Provider Roundtable

As a Premier Partner, you will be eligible to participate in our annual Solution Provider Roundtable, held at Canon USA's headquarters in New York. Only a select number of resellers are invited to participate in this all-expense paid trip. The Roundtable provides our partners with the opportunity to provide feedback on our programs and promotions as well as offering input into future products. During this three-day event, you will be able to network with other top resellers while enjoying the sights of New York City.

CDIA Training and Exam Reimbursement

Canon offers three CDIA preparatory courses that will give you the foundation needed to successfully achieve CDIA certification. These three courses are available to our Premier Partners at no cost.

In addition, Canon will reimburse authorized Premier Partners for the cost of the CDIA exam for each sales representative who achieves CDIA certification. See Addendum for a sample claim form. The reimbursement claim form can be downloaded from www.canonresellers.com.

Newsletters

Keeping our resellers informed of our current promotions and programs is important to us. In addition to posting information on our dedicated website, we are pleased to send you a quarterly e-mail newsletter as well as periodic special announcements. These communication vehicles outline our latest product offerings, promotions and current rebates, enabling you to keep abreast of important upcoming events.

Service Contracts

Canon is dedicated to giving customers a quality product that comes with the peace of mind of product reliability. Warranties are provided on all products. We offer the opportunity for you to provide your customers with extended warranties as well, either directly or through a third-party support package. Service contracts are available on our products through our authorized distributors.

Partner Recognition

Our top imageFORMULA Premier Partners are recognized annually by Canon.



Addendum

SAMPLE*

*Download claim form on www.canonresellers.com.

CDIA Certification Reimbursement Claim Form

Canon USA encourages our Premier Partners to further their technical education and training by supporting their CDIA Certification efforts. Canon will reimburse qualifying Premier Partners for the cost of the CDIA exam for each individual who achieves the certification. In order to claim reimbursement for this exam,* the following CDIA Certification Exam Reimbursement Claim Form must be completed and submitted to Canon USA, accompanied with a copy of the CDIA certificate as well as a copy of the exam invoice.

All claims must be submitted to Canon USA within 60 days of taking the exam.

*Canon will only reimburse each individual for the cost of taking one exam.

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Reseller Name:	Date:
Address:	
City/State:	Zip:
Contact:	Phone:
Individual:	Title:
Signature:	
Exam Date:	Exam Cost:

This form, along with a copy of your CDIA certificate and test invoice should be faxed to the following for processing:

Canon USA

Attn: CDIA Processing Department
Kathy Ferrari
Fax #: 516-328-4769