



Market Development Fund Program

Overview

Each fiscal quarter LXE's Marketing Department sets aside a substantial finite pool of Market Development Funds (MDF) intended to be used, at LXE's sole discretion, in cooperation with our resellers to grow business together. The use of MDF is subject to the same ROI requirements as any other marketing expenditure. LXE is open to promotional ideas of every kind, but projects that generate incremental sales opportunities are preferred. Projects that do not directly result in incremental sales are considered "low priority" and may be rejected in favor of projects that deliver more tangible results.

Who Can Participate?

All current LXE resellers designated as LXE Elite Partner may request MDF at any time by filling out the simple online form on the PartnerPass Portal. It is recommended that you work with your assigned LXE VAR Manager to develop a yearly action plan that integrates MDF activities to maximize the benefits and timing of resources for your project.

Each request will be evaluated to ensure alignment with LXE's corporate strategies and tactical marketing plans. Please see "Guide to Covered Marketing Activities" below for suggestions and other details.

LXE Resources

LXE is committed to making our cooperative marketing projects successful. These resources are available to help you execute your campaign in a way that delivers the best possible results. LXE's PartnerPass Portal is the best place for you to start your cooperative marketing campaign. It gives you access to marketing materials, photos, logos, recent announcements, company contacts, etc. Please visit the portal at <http://portal.lxe.com/partner> to log in or to register for a new account.

In addition, LXE's telemarketing organization may be available for certain lead-generation activities. Our Marketing Department can help with text, content, etc., and may be able to help design and produce materials for certain projects.

Process for MDF Application

1. Submit the online request form at least 30 days in advance of the project's start date.
 - a. The online form can be found on the PartnerPass Portal. MDF Support is located under the Price Lists & Marketing tab.
 - b. If you are a recognized LXE reseller and do not currently have access to the PartnerPass Portal, please visit the portal at <http://portal.lxe.com/partner> and click "Register" to request an account.
 - c. This is the only reliable way to initiate a request for MDF.
2. You may be asked to address any questions or concerns posed in response to your request.
3. Receive email approval from LXE's Channel Marketing Manager.
4. Request approval of final copy or applicable materials and execute project.
5. During the campaign, provide LXE with status of the ongoing results of the project.
6. Upon project completion, reply to your pre-approval email within 30 days requesting your funds. Include proof of performance, such as:
 - a. A full-page tear sheet of each ad, or copy of direct mail piece, copy of collateral piece, etc.



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- b. For trade shows or similar events please include a picture of the event showing LXE's products and signage.
 - c. Copies of all paid invoices.
7. Reimbursement will be issued for the pre-approved amount or the actual submitted amount, whichever is less. This may take 2-4 weeks to process.

Program Guidelines

- All funds are owned solely by LXE, and allocated at LXE's sole discretion.
- MDF, if applied, may be used to cover project costs in whole or in part, depending on case-by-case circumstances.
- MDF may not be deducted from remittances due LXE. Upon approval and proof of project execution, LXE will reimburse either by check or by account credit, depending on the partner's account balance at the time.
- LXE's Channel Marketing Manager will evaluate each proposed activity based on multiple criteria, which may include, but are not limited to:
 - Degree of alignment with LXE's strategic direction and tactical marketing plans
 - Degree of focus on LXE's target markets
 - Total potential incremental sales
 - Reseller's demonstrated level of commitment to LXE's product lines
- **All MDF requests must be pre-approved by LXE's Channel Marketing Manager.** Without documented prior approval, MDF reimbursement will not be issued. There are no exceptions.
- All leads generated through cooperative activities will be considered mutually exclusive unless otherwise agreed upon.
- **LXE's Channel Marketing Manager must approve all materials**, copy, scripts, etc. before they are used/published or MDF reimbursement will not be issued. There are no exceptions.
- LXE may request regular status updates on leads generated through cooperative efforts.
- Claims will be processed only if a partner's LXE account balance is current and in good standing.
- All approved funds must be claimed for processing (see claims process below) within 30 days of the completion of the activity. LXE will not prompt you to claim funds within this timeframe.
- LXE will not pay your contractors individually. You must pay them directly and then provide LXE with a copy of the paid invoice.
- LXE may terminate or modify this program at any time without notice.

Point of Contact

Kathryn Bertin
Channel Marketing & Development
bertin.k@lxe.com
Office: 770-798-6843
Fax: 770-446-9160



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NOTE: Email is the best possible form of communication regarding MDF related issues.

Guide to Covered Marketing Activities

Preferred activities are highlighted in blue. Requests for any alternative types of activities will be considered on a case-by-case basis. However, requests for preferred activities will be given higher priority and are therefore more likely to be approved. Preferred activities will also be

Activity	Materials Required	Reimbursable Costs	Requirements and Other Notes
Advertising (Print and web)	MDF Request Form, ad concept, media schedule, media circulation, target audience, complete cost estimates	Ad production, insertion costs	<ul style="list-style-type: none"> 25% of the ad must be devoted to LXE Must include at least one (1) picture of an LXE product Must include an LXE PartnerPass logo Final LXE approval required No competitor's products can be present Copy of ad and invoice, tear sheets/URLs required for reimbursement
Collateral	MDF Request Form, layout of piece, date of mailing, complete cost estimates	Production, printing	<ul style="list-style-type: none"> 25% of the collateral piece must be devoted to LXE Final LXE approval required Must include a picture of an LXE product and an LXE PartnerPass logo No competitor's products can be present Copy of collateral and invoices required for reimbursement
Catalogs	MDF Request Form, ad size, distribution details, anticipated incremental business	Production, printing, mailing	<ul style="list-style-type: none"> Final LXE approval required Copy of catalog and invoices required for reimbursement
Case Studies	MDF Request Form, intended use, distribution, etc. complete cost estimates	Writing, printing fees	<ul style="list-style-type: none"> Final LXE approval required LXE allowed promotional use of final case study No competitor's products can be present Copy of case study and invoices required for reimbursement
Demo Gear and Development Gear	Contact designated LXE representative.		<ul style="list-style-type: none"> Final LXE approval required Recognized partners can purchase mutually agreed quantities of LXE equipment for demonstration or development using partner category discount off of list price. Remaining balance to be applied through MDF funding
Direct Mail and Email Campaigns	MDF Request Form, concept, complete cost estimates, target audience, anticipated incremental business, lead follow-up plan, visibility plan	Production, printing and distribution	<ul style="list-style-type: none"> Final LXE approval required 25% of the direct mail piece must be devoted to LXE Must include a picture of an LXE product and an Authorized LXE Reseller logo No competitor's products can be present Copy of final piece and invoices required for reimbursement



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Online Lead Generation Campaigns	MDF Request Form, type of campaign, content, target audience, anticipated incremental business, lead follow-up plan, visibility plan	Insertion and promotion costs	<ul style="list-style-type: none"> Examples: White paper offers, case study offers, videos Content must prominently feature LXE No competitor's products can be present Copy of invoice, content, tear sheets/URLs required for reimbursement
Sales Contests	MDF Request Form	Prizes and contest promotion	<ul style="list-style-type: none"> Detailed description of contest Roll-out and promotion plan
Sales Meetings	MDF Request Form, expected # of attendees, anticipated incremental business, copy of agenda	Meeting location costs, A/V, food, sponsorships	<ul style="list-style-type: none"> Must display at least 3 LXE products (photo required) Copy of invoices required for reimbursement
Seminars	MDF Request Form, expected # of attendees, target audience, anticipated incremental business, copy of agenda, lead follow-up plan, visibility plan	Meeting location costs, A/V, food, sponsorships, advertising/promotion	<ul style="list-style-type: none"> Must display at least 3 LXE products (photo required) Copy of invoices required for reimbursement
Telemarketing campaigns	MDF Request Form, scripts, target audience, anticipated incremental business, lead follow-up plan, visibility plan	Script development, calling fees	<ul style="list-style-type: none"> Final LXE approval required No competitor's products can be involved Copy of invoices required for reimbursement
Trade Shows	MDF Request Form, expected # of attendees, target audience, anticipated incremental business, lead follow-up plan, visibility plan	Booth space, advertising/promotion, cross-promotions, sponsorships	<ul style="list-style-type: none"> 2 of the 3 conditions below must be met <ul style="list-style-type: none"> Prominently displayed LXE PartnerPass logo At least two (2) LXE terminals prominently displayed LXE employee in the booth Photos of booth are required for reimbursement
LXE Sales Training	MDF Request Form, sales training type, training dates, list of attendees	Training costs, travel costs	<ul style="list-style-type: none"> Copies of all related invoices
User Groups	MDF Request Form, expected # of attendees, target audience, agenda	Fees related to LXE's participation	<ul style="list-style-type: none"> Final invoice
Videos	MDF Request Form, scripts, intended use, distribution, etc., complete cost estimates	Production costs	<ul style="list-style-type: none"> Video content must support LXE products and messaging directly or indirectly No competitor's products can be present LXE devices must be prominently displayed and promoted in video Final LXE approval required LXE allowed promotional use of final video Copy of video and invoices required for reimbursement
Webinars	MDF Request Form, scripts, target audience, anticipated incremental business, lead follow-up plan, visibility plan	Hosting and promotion costs	<ul style="list-style-type: none"> No competitor's products can be present Copy invoices required for reimbursement



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White Papers	MDF Request Form, topic, intended use, distribution, etc. complete cost estimates	Writing, printing fees	<ul style="list-style-type: none">• White paper content must support LXE products and messaging directly or indirectly• Final LXE approval required• LXE allowed promotional use of final white paper• Copy of white paper and invoices required for reimbursement