

Ascend

International Co-op Program Guidelines

PROGRAM SUMMARY

The Ascend Co-op Marketing Program is designed to assist authorized international resellers and distributors increase product sales, promote awareness and preference worldwide for Ascend products, and increase end user knowledge of Ascend products through aggressive co-marketing campaigns.

Advertising, direct mail, trade shows, seminars and electronic media development (i.e. web site or CD-ROM) are just some of the promotional methods eligible for Co-op fund credit.

Instead of producing all your own seminar invitations, direct mail pieces, logos, award icons, etc., you can retrieve templates for these materials from the Sales Accelerator web site and the cd accelerator toolkit (CD-ROM).

Co-op marketing funds are set aside in a Co-op account for you and tracked by Ascend's Accounting department. Funds accumulate each month and are available for a six-month rolling period based on 2.5% of monthly invoice payments received from your company. Once your claim is approved and you receive a credit memo, you can apply the credit memo toward current invoices due to Ascend. If you haven't used the funds accumulated in the six-month time frame, the oldest month is dropped off and the funds for that month forfeited. Funds for the newest month are then added to your Co-op fund. See **Table 1** for more detail.

Credit will be issued for approved Co-op claims only. Co-op marketing funds are not transferable between participants. If your account with Ascend is past due in any given month, you will not be eligible to accumulate Co-op funds until your account is up to date.

Ascend reserves the right to change, modify or cancel the Co-op Marketing Program upon 30 days written notice but this will not affect your credit claims approved prior to the effective change, modification or cancellation date.

PROGRAM BENEFITS

The Ascend Co-op Marketing Program benefits you in several ways:

- Reduces marketing expenses you incur while promoting Ascend products
- Makes available promotional display equipment and training CDs at no direct cost (pay only shipping & tariffs)
- Gives you access to the Ascend corporate marketing tools
- Alleviates the need to create costly sales and marketing tools on your own
- Gives you an opportunity to partner with an industry leader



ELIGIBLE PROMOTIONAL METHODS AND TOOLS

You may receive credit for a variety of marketing expenses, including, but not limited to:

Advertising: Qualified media placement fees for advertisements placed in trade journals, newspapers and other technical media outlets. Advertising cannot be misleading as to price, product features or specifications. Ads cannot violate national or local law or administrative agency rules or regulations. No credit will be given for such advertising. Production charges and agency commissions are not eligible for credit.

Direct Mail: Direct mailings to qualified prospect lists. Credit will be given for design, production, mailing list costs and postage.

Trade Shows/Seminars: Participation in local trade shows, seminars and workshops. Credit will be given for booth space rental and specific collateral material production. When the event is shared with vendors or products other than Ascend, credit will be calculated on a ratio determined at the pre-approval phase. No credit will be given for food, beverages or hotel accommodations.

Electronic Media: For adding "Ascend-specific" documents to your web site or CD-ROM

Promotional Display Equipment: You can order one unit of every product under the Pipeline product family, Multiband product family, every base platform product under the MAX product family, the MAX TNT, GRF 400, Secure Access, Access Control and the MAX slot card product to display in your office or at trade shows, seminars, etc. You will receive a 50% discount off the price of each unit and the balance of the cost is taken from your Co-op funds (provided there is enough money in your Co-op Fund at the time you order). Although there will be no direct cost to you for this equipment, you are responsible for all tariffs and shipping costs. See page 5 for more detail on how to order promotional display equipment.

Training CDs: You may order Ascend product training CDs.

Additional Materials & Projects: If you want to receive a credit for other marketing materials or projects, please discuss with your Ascend account representative or your local Ascend marketing manager. You may also email: air-info@ascend.com

TYPES OF ASCEND MARKETING MATERIALS AVAILABLE TO YOU

- Advertising ideas
- Seminar templates**
- Photos**
- Award icons**
- Ascend Camera-ready Logos**
- Direct Mail templates**
- Product Promotional Descriptions **
- Trade show poster templates**

**Available on the Sales Accelerator web site and the cd accelerator toolkit



ASCEND CO-OP MARKETING FUND - HOW TO GET STARTED

1. Find out if your company is on the active Co-op Fund list. (Ascend uses the reseller's "bill to" customer ID number to track your paid Ascend invoices and puts 2.5% of each invoice in your Co-op Fund. If you change addresses, your company will be issued a new Customer ID #.)
2. Order a Co-op Starter Kit from Ascend World Headquarters which is available via the International Collateral Order form or you can email your request to: air-info@ascend.com
3. Plan your promotion
4. Complete Step 1 of the Pre-Approval/Claim Form and submit along with design drafts and cost estimates.
5. Once you've received Pre-approval, do the promotion.
6. After the promotion is finished and you've received all your invoices, complete Step 2 of the Pre-Approval/Claim Form and attach supporting documentation (vendor invoices, samples of the promotion, trade show booth layout, etc.).
7. Once the claim is approved, your company will be issued a credit memo by the Ascend Accounting department within 30-45 days.



HOW THE ASCEND SIX MONTH ROLLING CO-OP FUND WORKS

You have six months to use and claim your accrued funds. For example, if you earn funds on invoices paid in January, you may use those funds any time from February through July. To make sure your Co-op account is always up-to-date, claims are paid using the oldest funds available. If claims are not submitted against funds in the six month period, the funds expire. Once expired, funds can not be reinstated.

Table 1. Example - Six Month Rolling Fund Calculation

June Co-op Fund Balance

ABC Company	Jan-98	Feb-98	March-98	April-98	May-98	June-98	Total Amount Paid 6 mo. rolling 1/98 - 6/98	Total 2.5% Co-op Fund
Paid Ascend Invoices 2.5%	100,000 2,500	50,000 1,250	60,000 1,500	70,000 1,750	80,000 2,000	50,000 1,250	410,000	10,250

July Co-op Fund Balance

ABC Company	Feb-98	March-98	April-98	May-98	June-98	July-98	Total Amount Paid 6 mo. rolling 2/98 - 7/98	Total 2.5% Co-op Fund
Paid Ascend Invoices 2.5%	50,000 1,250	60,000 1,500	70,000 1,750	80,000 2,000	50,000 1,250	50,000 1,500	360,000	9,000

HOW COSTS ARE CALCULATED AND CREDITS MADE

1. Your promotional expenses are calculated based on local advertising and mailing rates, less discounts and rebates. For example, eligible expenses for a direct mail piece (mailer) would include concept, development, production, printing, purchase of mailing lists and postage.
2. You pay all promotional expenses directly. Ascend does not pay your vendors directly or reimburse you by check for actual expenses.
3. You receive a credit, via a credit memo, which may be applied to any of your future outstanding Ascend invoices. This credit memo is issued to your company only.
4. Credits are given for up to 50% of the promotional cost approved by Ascend. Advertising or marketing promotions which include products other than Ascend's will be partially credited based on a ratio determined at time of approval.
5. Convert your currency to U.S. dollars on the Co-op Claim Form. This should be based on the Wall Street Journal exchange rate posted on the first business day of each month.



CO-OP CLAIM FORM APPROVAL STEP-BY-STEP INSTRUCTIONS

Here are the steps you need to follow for Pre-Approval, Final Claim for Credit and ordering Promotional Display Equipment:

1. Submit the Ascend International Pre-Approval/Final Claim Form and complete Step 1 before promotion takes place:
 - Attach promotional concept, ideas and estimated costs.
 - Ascend will review it, determine eligibility and return the approved form with a claim number within two business days.
2. Submit the approved Ascend International Pre-Approval/Final Claim Form, (signed and returned to you by Ascend), complete Step 2 and send after the promotion takes place. Make sure you:
 - Attach copies of the vendor invoices and other supporting documentation.
 - Attach original samples of the promotional piece (i.e., advertisement from magazine, seminar invitation, direct mailer, etc.) No photocopies.
3. How to order Promotional Display Equipment or training CDs:
 - Complete the **Promotional Display Equipment Form C** and submit with a regular purchase order that specifies type of equipment, model number, the Ascend list price, the Co-op price and your shipping and billing addresses. Billing addresses should include the name and address of the reseller who has the Co-op Fund Account with Ascend.
 - Promotional Display Equipment and/or training CDs are classified as an Ascend “J” sales order. Do not fax to Ascend’s Order Management Department. Do not combine this order with your regular equipment orders.
 - Once the Promotional Display Equipment/Training CD order is approved and your company has enough Co-op funds, Ascend’s accounting department will take 50% of the equipment list price from your Co-op fund.
 - Promotional Display Equipment will be shipped upon availability. Standard lead times do not apply.
4. Where to send your Claim forms and supporting documentation:

Ascend Co-op c/o CoAMS, Inc.
770 N. Halsted Street, Suite 508
Chicago, Illinois USA
60622-5972

Tel: 312 432 2939 Fax: 312 243 2531 Email: ascend@coams.com



OTHER INFORMATION / INSTRUCTIONS:

- Claim forms must be completed (with supporting documentation attached) and approved by Ascend before a credit memo can be issued to your company.
- A credit memo will be issued within 30-45 days of receipt of completed approved forms and supporting documentation.
- If your monthly invoice to Ascend is past due, you are not eligible to receive any credit memos as long as your account is past due. Your Co-op funds may not be used to bring a past due account current.
- It is Ascend's policy to reject any claim that features products determined to be competitive with Ascend products at the time of approval.

TERMS

Cancellation/Change Policy

- Ascend Communications, Inc. reserves the right to change, modify or cancel the Co-op Promotional Program upon 30 days written notice to you.
- Such changes, modifications or cancellations will not affect claims for promotional expenses approved prior to the effective date.
- If your contract with Ascend is terminated for any reason, any of your accumulated and unclaimed Co-op funds will be forfeited.
- All non-English ads must be submitted with an English translation.

