

PERFORMANCE PARTNER PROGRAM



Partner MDF Policy

Introduction

Honeywell Safety and Productivity Solutions (SPS) recognizes the value of and need for marketing support as a strategic component of our Performance Partner Program. As a result, SPS reinvests a significant portion of our yearly revenues to support a specialized Market Development Fund (MDF) Program for eligible Members in the Honeywell Performance Partner Program. MDF is a fund which will be allocated by SPS to the strongest MDF Fund Requests, determined on the basis of content, expected ROI and alignment with SPS objectives and the Annual Collaborative Plan.

The primary objective of the MDF Program is to help Members leverage their marketing investments for activities that directly support demand generation for SPS products. The MDF Program extends the impact of the marketing programs SPS executes, as well as the marketing initiatives of Members. This document will familiarize Members with the MDF Program and its possibilities. Please note, there are limitations as to where MDF can be spent; please see the eligible activities and excluded expenses at the end of this document.

All marketing and advertising activities and materials must adhere to the MDF Guidelines outlined in this document. SPS Channel Management will strictly enforce these guidelines including documentation of a reasonable return on investment (ROI) justification and measurement for all activities. All activities must be submitted for review and approved into Salesforce.com prior to the execution of the activity.

Key Program Highlights

- Fund period runs from January 1st to December 31st on an annual budget cycle.
- MDF will be allocated by SPS to those eligible Members who proactively engage and provide the strongest/highest quality requests along with relevant ROI metrics.
- Eligible Members must complete a Collaborative Plan prior to any MDF activity in conjunction with their VAR Partner Manager (VPM) or and, where appropriate, Channel Marketing Manager.
- The Collaborative Plan must be approved by SPS Channel Management for consideration for MDF utilization and allocation prior to the activity (or execution) period and any Fund Requests.
- All approved MDF activity must showcase Honeywell corporate logo or partner's Honeywell tier logo.
- All partner websites must have the Honeywell logo or tier badge on their website to be approved for MDF.

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- Eligible Members must use approved MDF Funds within the Plan period.
- All MDF Fund Requests must meet a U.S. \$500 per request minimum.
- If a partner is requesting MDF from Honeywell and a distributor for the same Fund Request, the combined amount cannot exceed partner's contribution amount. Example: Partner's cost to attend tradeshow is \$10K. They request 50% support from Honeywell MDF alone OR Honeywell & preferred distributor MDF combined. Combined MDF from Honeywell and distributor cannot exceed \$5K, therefore Honeywell can sponsor \$2500 and Distributor X can sponsor \$2500.
- Prior to the activity, eligible Members must submit a Fund Request in Salesforce.com and receive pre-approval via the Performance Partner Center website, or the MDF Fund Claim will be rejected and not paid.
- Requests for activities that have occurred in the past will be rejected. All activity must receive pre-approval prior to commencement of the activity. You will receive a confirmation email once the activity is approved and ready to implement.
- Pre-approval of the activity does not guarantee reimbursement. The activity must match the description provided in the Fund Request and detailed receipts, proof of activity and return on investment (ROI) are required. Refer to the section for Claims for acceptable proof of performance materials.
- MDF Fund Claim must be submitted with all necessary documentation within 60 days of the activity end date or the Fund Claim will be rejected.
- All creative concepts and proofs must be approved by the Channel Marketing Manager prior to publishing or posting. All members must receive approval from Honeywell prior to executing any marketing activity using MDF. Please work with your individual Channel Marketing Manager to receive pre-approval before executing each activity and submitting claims, or there will be no reimbursement and the claim will be rejected.
- SPS requires a minimum 50% co-investment by the eligible partner for all MDF activity. This investment can be funds or eligible member assets (which can include resources, headcount, facilities, etc.) and must be defined in the MDF Request. Example: Approved Fund Request is \$5000, and Member contribution towards that same activity is \$5000 minimum.

Market Development Fund Program Defined

SPS' Market Development Fund (MDF) is an arrangement in which SPS agrees to reimburse a specific share of the developmental and execution costs for demand generation marketing initiatives that are required to help eligible members grow their businesses. Eligible Member must complete a Collaborative Plan with their VPM and receive approval from SPS Channel Management.

Demand generation marketing initiatives are defined as proactive lead generation activities supported by more traditional marketing programs and processes of educating buyers and nurturing these relationships from earliest awareness through to maximizing customer lifetime value. It's about sparking, nurturing and monetizing initial demand; it's also about sustaining and growing that demand among current customers.

All marketing and sales activities involved in contacting potential buyers, guiding them through the buying process and closing the sale are eligible. Demand generation focuses on both lead generation and lead management.

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Compliance

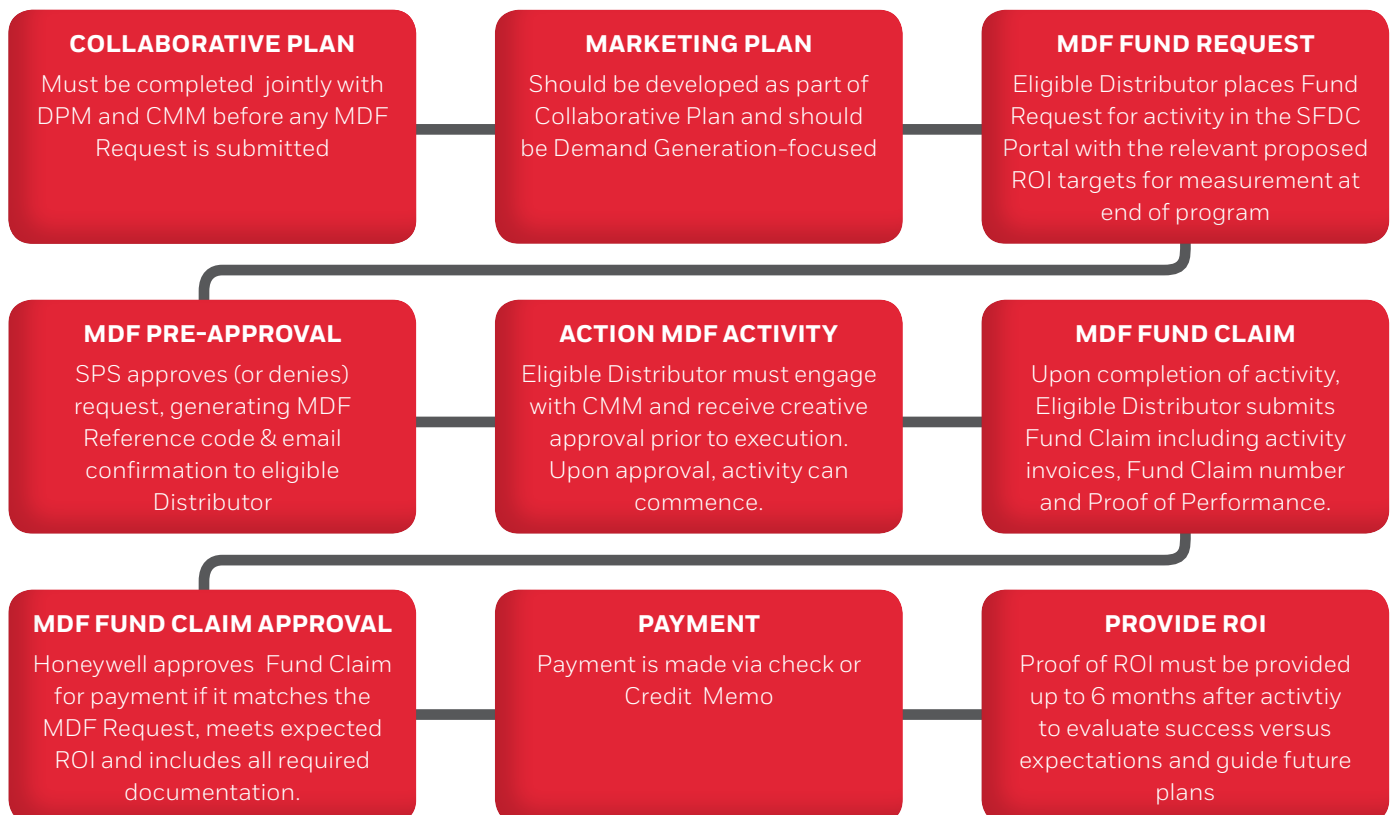
SPS has implemented policies and procedures related to our MDF Program in order to remain in compliance with today's GAAP, FASB, FCPA and Sarbanes-Oxley Act obligations. Our goal is to offer eligible Members a program that is based on proper accounting and accurate reporting standards and compliant with the highest standards of business ethics. We expect our eligible Members to support us in this initiative. Any eligible Member found taking advantage of the program improperly will no longer be eligible for MDF funding, regardless of their Performance Partner Program tier level. SPS reserves the right to recover any improperly used funds and take further actions up to and including rescinding all Performance Partner Program benefits and tier status.

MDF Program Eligibility

SPS Members in the Performance Partner Program are eligible for MDF only if their status as a Platinum, Gold or NBR Member is current, they comply with the terms and conditions of the Performance Partner Program Agreement and Program, they have a completed and approved a Collaborative Plan for the period, and they achieve 99% compliance with providing valid end users on all sales orders placed with a distributor or with Honeywell.

Eligibility to receive MDF funding will cease if the Eligible Member's Platinum, Gold or NBR status is terminated or not renewed or if the Program policies are violated in any way. If an eligible Member is placed on credit hold, they will not be eligible to request MDF until the hold is removed. If the Member no longer qualifies, SPS will notify the Member in writing and they will have 30 days to submit any valid outstanding MDF Fund Claims. At the end of the 30 days, remaining MDF Fund Claims will be forfeited.

MDF Process in Summary



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Requesting MDF Funds – “Fund Requests”

SPS requires a completed and approved Collaborative Plan before MDF may be requested or utilized. SPS requires a Fund Request to be submitted via the Performance Partner Center Website and pre-approval to be granted (along with the automated email) before the MDF activity takes place. Fund Requests submitted after the activity or event has begun will not be valid. Verbal or written approvals made outside of the Performance Partner Center Website will not be valid under any circumstances.

Specific goals and anticipated ROI must be outlined in the Fund Request submission. MDF Fund Requests must support demand generation campaigns and the approved Collaborative Plan to be considered for approval. MDF pre-approvals are only valid during the Plan Period. Eligible Members will receive a warning if a Fund Request needs further review or is about to expire.

If a partner is requesting MDF from Honeywell and a distributor for the same Fund Request, the combined amount cannot exceed partner’s contribution amount.

- *Example: Partner’s cost to attend tradeshow is \$10K. They request 50% support from Honeywell MDF alone OR Honeywell & preferred distributor MDF combined. Combined MDF from Honeywell and distributor cannot exceed \$5K, therefore Honeywell can sponsor \$2500 and Distributor X can sponsor \$2500.*

All Eligible Member-created marketing materials and collateral must be approved by the Channel Marketing Manager prior to publication to ensure reimbursement.

Requesting MDF Reimbursement – “Fund Claims”

Fund Claims must be made within 60 days of the stated Completion Date of the activity or the MDF Fund Claim will be denied. For reimbursement, Eligible Members must fully complete a MDF Fund Claim via the Performance Partner Center Website, submitting all documents at one time. Credit card statements with no expense detail or itemization will not be accepted as proof of activity.

The Fund Claim must include an invoice with an itemized Proof of Activity (either an in-house rate card or third party invoices are required), and ROI. Results and ROI should include information and documentation such as the following (details of acceptable documentation are outlined in the Eligible Activities section):

- # of leads and lead details
- # of visitors to website/landing page
- # of telemarketing calls/sales appointments made
- # of new Project Registrations/Opportunities
- # of impressions
- # of closed deals
- # of sales meetings scheduled

Full details of all leads generated as a result of MDF-funded activity must be disclosed as part of the Fund Claim. Leads must be loaded into SalesForce.com as “Opportunities” or Project Registrations, and must include a note that they resulted from the MDF activity, with the relevant pre-approval reference number.

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Pre-approval does not guarantee reimbursement. The Fund Claim for reimbursement will be approved only if the completed activity meets the pre-approved Fund Request description, has the correct supporting documents and falls within the MDF guidelines. MDF Claims will be processed once a month by SPS. All MDF Claims and supporting documentation must be received at the same time and by the 15th of a month to be processed within that month. Claims received after the 15th will be processed in the following month, assuming the documentation is complete and submitted by the 15th of that month.

If SPS requires additional information in order to complete the reimbursement process, eligible Member will have 30 days in which to provide the requested information to SPS. The Fund Claim will then be processed based on the timeline outlined above. If eligible Member fails to submit requested information within 30 days, the Fund Claim will be denied.

Method of Fund Claim Reimbursement

When SPS approves the MDF Claim, we will send an email to inform the eligible Member that the MDF reimbursement has been granted. SPS' accounting department will issue a check or credit memo, as determined by SPS' credit department at the time of payment.

If an eligible Member is on credit hold for any reason, the MDF reimbursement may be held until the account is brought back to a current status. This determination also will be made by SPS' credit department.

All the information below must be included/attached in the SFDC Fund Claim:

1. Original invoice of services rendered to Member
2. Invoice to Honeywell made out to address below for the requested amount in MDF reimbursement:
Hand Held Products
Honeywell Scanning & Mobility
9680 Old Bailes Road
Fort Mill, SC 29707
Please reference: Fund Claim Number
3. Proof of Performance

Discrepancies

If the Eligible Member disagrees with a reimbursement for a MDF Claim, send a written explanation to the assigned SPS Channel Marketing Manager within 30 days of the date of payment.

SPS reserves the right to change or discontinue the MDF Program without prior notice to our Members. Such change or discontinuation does not affect claims for commitments made prior to the effective date of change or termination.

Eligible MDF Marketing Activities

The following outlines the types of activities that will be considered by SPS for MDF usage. Marketing activities that directly support a demand generation initiative and the eligible Member's Collaborative Plan are eligible to be considered for support from MDF. As a reminder, all MDF activities must have a Fund Request which has been pre-approved via the Honeywell Performance Partner center, or they will not be eligible for reimbursement.

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Partner must showcase Honeywell logo or tier badge on their website to be considered for MDF. All approved MDF activity must showcase Honeywell corporate logo or partner's Honeywell tier logo.

Printed & Electronic Collateral (does not include email)

Examples of activities considered for MDF funding include:

- Catalog development/production
- Brochure development/production
- Product Material development/production
- Case Study development/production
- White Paper development/production
- Newsletter development/production
- Video development/production
- Digital collateral development/production
- Agency/consultant creative and production expenses such as copywriting, design, printing.

Documentation Required for Fund Claim and Reimbursement:

- Completed and approved MDF Request via Performance Partner Center Website
- Approval by the Channel Marketing Manager of content prior to being published
- Details of campaign results (click through, open rates, responses to call to action, etc.)
- Full details of all leads generated and any closed sales
- Proof of Activity* detailing associated expenses (must be less than 60 days old)
- Evidence of published, printed and/or distributed activity (copies accepted)

Print Advertising & Direct Mail

Examples of activities considered for MDF funding include:

- Direct mail campaign development, design, print, fulfillment and postage
- List acquisition for direct mail
- Print advertising development, creation and placement costs

Documentation required for Fund Claim and reimbursement:

- Completed and approved MDF Request via Performance Partner Center Website
- Approval by the Channel Marketing Manager of content prior to being published
- Details of campaign results (responses to call to action, landing page hits, etc.)
- Full details of all leads generated and any closed sales
- Proof of Activity* detailing associated expenses (must be less than 60 days old)
- Evidence of published, printed or distributed activity (copies accepted)

Electronic & Internet / Online Advertising

Examples of activities considered for MDF funding include:

- Electronic/online ad development/production
- Electronic media advertising placement fees

**Itemized invoices may include in house "rate cards" or 3rd party invoices*

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- Social Media content development/production
- Key word search optimization fees
- Website/microsite/landing page creation/development and hosting
- Targeted email marketing including creation, transmission and list purchase fees
- SEO, PPC, SEM

Documentation required for Fund Claim and reimbursement:

- Completed and approved MDF Request via Performance Partner Center Website
- Approval by the Channel Marketing Manager of content prior to being published
- Details of campaign results (page views, open rates, click through, responses to call to action, landing page hits, etc.)
- Full details of all leads generated and any closed sales
- Proof of Activity* detailing associated expenses (must be less than 60 days old)
- Evidence of activity such as email copies, online banners in location, web page screenshots, search word reports, etc.

Telemarketing

Examples of activities considered for MDF include:

- Telemarketing script development
- List/database acquisition fees
- External outbound or inbound telemarketing agency fees.

Examples of expenses not considered for reimbursement include:

- In-house telemarketing services billed for by employee of eligible Member's organization.

Documentation Required for Reimbursement:

- Completed and approved MDF Request via Performance Partner Center Website
- Approval by the Channel Marketing Manager of script and target data prior to telemarketing commencing
- Details of target audience (audience type, job roles, number of contacts, number of companies)
- Evidence of activity including script and campaign summary
- Details of results (full telemarketing report)
- Full details of all leads generated and any closed sales
- Proof of Activity* detailing associated expenses (must be less than 60 days old)

Events, Webinars & Trade Shows

Events, Webinars and Trade Shows will be considered for MDF only when supporting a specific campaign or vertical / Deployment Environment. Generic eligible Member / SPS branding exposure activities are not eligible for MDF.

Examples of activities considered for MDF include:

- Pre-/Post- event email/direct mailers/invites
- Signage/graphics development or production

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- Booth fees/event costs/venue fees
- Sponsorship fees
- Event collateral/material development/production
- Sporting event tickets and golf outings when end users are present and active participants

Please note: MDF funding of any events and trade shows requires prior review and approval from Honeywell's Global Integrity and Compliance function to ensure conformance with all applicable anti-corruption laws, Honeywell policies, and standards, including avoiding even the appearance of unethical business practices, and compliance with end-user company ethics policies on gifts and gratuities.

Examples of expenses not considered for reimbursement include:

- Travel expenses of employees or guests
- SPS-hosted sales meetings and events (including SPS' Partner Summit)
- Alcohol

Documentation required for Fund Claim and reimbursement:

- Completed and approved MDF Request via Performance Partner Center Website
- Evidence that the event was executed, such as photos of booth visuals, event confirmations, agendas
- Full details of all leads generated and any closed sales
- Itemized invoices* detailing associated expenses (must be less than 60 days old)

Please note: Due to the unique nature and billing requirements of some events, the 60 day invoice age requirement may be waived if Eligible Member submits a Fund Claim for one event all at one time (example: payment for exhibit space is invoiced several months in advance, yet actual event costs are invoiced shortly after the event date). Such exceptions must have written approval from the assigned Channel Marketing Manager.

Sales Incentives

Sales incentives offered by eligible Member will only be considered for MDF when supporting a specific campaign or vertical/Deployment Environment. Generic SPS sales incentives are not eligible for MDF. All applications for sales incentives must include a business case to show targets and metrics demonstrating expected incremental business resulting from the incentive. Incentives should not reward run-rate business. MDF funding of any sales incentives requires prior review and approval from Honeywell's Global Integrity and Compliance function to ensure conformance with all applicable anti-corruption laws, Honeywell policies and standards, including avoiding even the appearance of unethical business practices, and compliance with end-user's company ethics policies on gifts and gratuities.

Examples of activities considered for MDF include:

- Eligible Member sales incentives to generate and reward incremental revenue / project identification / deal development
- Provision of prize or reward (e.g., incentive trips and incentive prizes)
- Materials used to promote incentive (e.g., sales brochures, posters, flyers)
- Email communications to end-users to drive activities associated with incentive

**Itemized invoices may include in house "rate cards" or 3rd party invoices*

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Examples of expenses not considered for reimbursement include:

- Any cash or cash equivalent incentives (e.g., cash reward, vouchers, gift cards)

Documentation required for Fund Claim and reimbursement:

- Completed and approved MDF Request via Performance Partner Center Website
- Details of incentive plans including targets and achievement / results reports
- Proof of purchase of incentive reward and list of winners / prize recipients
- Copies of incentive communications (posters, flyers, emails, etc.)
- Proof of Activity* detailing associated expenses (must be less than 60 days old)

Promotional Merchandise

Promotional Merchandise will be considered for MDF only when supporting a specific campaign. Generic Eligible Member/SPS promotional merchandise is not eligible for MDF.

Examples of activities considered for MDF include:

- Prospect/end user promotional giveaways to incent lead generation, such as direct mail with a giveaway
- Net production costs

Documentation required for Fund Claim and reimbursement:

- Completed and approved MDF Request via Performance Partner Center Website
- Approval from the Channel Marketing Manager in advance of printing / production
- Full details of all leads generated and any closed sales
- A sample of the merchandise, printer's proof or photograph and details of recipients of items
- Proof of Activity* detailing associated expenses (must be less than 60 days old)

Demo Units

Performance Partner Members are entitled to special discounts on products purchased through distribution for demonstration and development purposes, commonly known as "Demo Units". Additionally, Honeywell enables Performance Partner Members to further offset the cost of demo equipment through the use of MDF as long as it is part of an overall collaborative plan attached to a joint growth objective. Please refer to the Honeywell Demo Equipment Purchase Discount policy for more details.

Special Requests

SPS will consider MDF Requests under "Special Requests" on a case-by-case basis where the activity is not covered by any of the approved categories outlined above. SPS may deny activities that fall outside of the scope of the MDF Program to ensure policy compliance and relevance of activity. All special requests must be approved by the Channel Marketing Leader.

Examples of Special Requests considered for MDF include but are not limited to the following:

- Translations of SPS collateral into local language, where it does not already exist.
- Seed units as part of an overall customer acquisition campaign.

**Itemized invoices may include in house "rate cards" or 3rd party invoices*

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Documentation required for Fund Claim and reimbursement to be confirmed on a case by case basis, if different from below:

- Completed and approved MDF Request via Performance Partner Center Website
- Evidence of activity as specified by SPS
- Full details of all leads generated and any closed sales
- Proof of Activity* detailing associated expenses (must be less than 60 days old)

What is not eligible for MDF?

Examples of expenses not considered for MDF funding include, but are not limited to, the following:

- SPS-hosted sales meetings
- Alcohol, even when it is part of an event
- Travel expenses
- Costs to lower the street price of products for sale to end-users
- Any portion of activity that does not promote Honeywell brand or products will not be reimbursed. This includes any MDF-eligible activity that does not include the Honeywell logo and/or the Honeywell Partner Program logo.
- Advanced payment for services not yet rendered

If you have any questions about the Member MDF policy please contact your Channel Marketing Manager or your VPM for further clarification.

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For more information

www.honeywellaidc.com

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The Honeywell logo, consisting of the word "Honeywell" in a bold, red, sans-serif font.