

U.S. PRINTER COMMITTEE (USPC) PARTICIPATION MANUAL

USPC Chairman: Andrea Keniston, Hewlett-Packard Company
USPC Vice-Chair: Tin Eng/Tom Miller, Canon USA
Program Administrator: Nancy Wallace, International Planning and Research
Program Advisor: Don Driscoll, International Planning and Research

***THE USPC PARTICIPATION MANUAL
IS FOR THE EXCLUSIVE USE OF USPC MEMBERS***

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INTRODUCTION

The ***UNITED STATES PRINTER COMMITTEE (USPC)*** was created to collect vendor reported shipment data and to make the aggregate totals available to the participants. Because it is based on actual shipment data, this first quality statistics program brings several benefits:

- Provides market figures that are more accurate, timely, and comprehensive than any other source currently available
- Access to truly reliable data regarding important determinants of industry performance enabling participants to more efficiently fine-tune their systems for managing inventory and product supplies to anticipated demand
- Enhanced responsiveness to changing customer needs and technological opportunities

The USPC is operated on a sustained break-even basis, supported solely by USPC Participants according to a fee schedule and a budget approved by the USPC Participants. IPR functions as the Administrator of the USPC program. In this capacity it carries out the collection and dissemination of data and reports according to the policies and rules approved by USPC.

The USPC manages the definitions, segmentation, policies and procedures, recruitment, and expansion of the program. The policies contained in this Manual can only be changed by consensus of the USPC membership.

MEMBERSHIP GUIDELINES

Membership in the USPC is open to all manufacturers and OEMs that sell printers within the United States and, if applicable, to Canadian and Latin American markets. Eligibility of USPC membership is subject to approval by the USPC.

Each USPC member company designates a principal corporate representative to the USPC, who will vote at meetings and work with the USPC, the Chair, and the Administrator to establish policies on issues concerning the operation and execution of the USPC program.

USPC meetings will be conducted in accordance with the latest edition of Roberts Rules of Order.

Companies participating in the USPC program agree to:

- Report their company's shipment data in all categories/cells of the USPC reporting form for products which they manufacture, sell, and/or ship in the United States and other identified regions.
- Report their data accurately and in accordance with the time schedules, confidentiality procedures, disclosure rules, and the specific reporting instructions established by the USPC. The detailed policies and procedures governing the USPC are documented in this participation manual. These policies and procedures can only be changed by consensus of the USPC membership.
- Refrain from discussing market shares and/or pricing with any other participant, and abide by the antitrust guidelines (see appendix "Antitrust Guidelines").
- Inform the Administrator as soon as problems concerning the program (e.g. potential disclosure) become evident.
- Abide by the USPC disclosure rules.
- Pay annual participation fees to the Administrator.
- Designate an alternate corporate representative and others responsible for reporting data and/or receiving the final reports. (All of these persons must be employees of the company.)
- Circulate the combined USPC data/reports within the company only to those designated by the company and not distribute these reports to any outside source nor discuss or cite the data publicly. Any use of the data generated through the USPC program must be cited as company estimates.
- Instruct their principal and/or alternate USPC representatives to attend USPC meetings to support the development and expansion of the USPC program.

Membership Guidelines (cont.)

- Each USPC Participant has the power to cast one vote on each matter presented before the USPC for decision. In casting a vote each principal representative (or alternate authorized to represent the principal at a meeting) shall state if the USPC Participant's corporate management must ratify the decision. The USPC Administrator will coordinate approval procedures and seek to obtain a response from the USPC Participants corporate management if so required.
- Abide by the decisions of the Executive Committee, which shall be comprised of the Administrator, Advisor, Chairman, and Vice-Chairman.

2008 ANNUAL PARTICIPATION FEES

A. Full USPC Membership

Participants receive: All printer reports issued

Regional Program Fees	
US	\$ 8,500
Canada	\$ 2,000
<u>Latin America</u>	<u>\$ 2,000</u>
Total	\$12,500

ROLE OF THE ADMINISTRATOR

The Administrator compiles all member and non member submitted data and ensures the data is within all program guidelines prior to the release of any and all reports. The Administrator will represent the interests of all participating parties and, in this capacity, support and execute the program within the boundaries established by the policies approved by the USPC.

The Administrator performs the following functions:

1. Supports recruitment of new participants.
2. Discusses the resolution of any significant problems that may arise with the relevant participant, the Executive Committee, or USPC as appropriate.
3. Discusses legal issues with general counsel.
4. Provides periodic program status reports.
5. Collects data and prepared reports according to the procedures developed and approved by the USPC.
6. Distributes final reports to participants.

ROLE OF THE ADVISOR

The Advisor executes the USPC program according to the rules, procedures, and policies established by the USPC members. The USPC operates under the umbrella of IPR on a self-funded basis as an independent committee. The Advisor will represent the interests of all participating parties and, in this capacity, support and execute the program within the boundaries established by the policies approved by the USPC.

The Advisor performs the following functions:

1. Negotiates and manages contracts for specified tasks.
2. Supports recruitment of new participants.
3. Discusses the resolution of any significant problems that may arise with the relevant participant, the Executive Committee, or USPC as appropriate.
4. Manages budget, funds and special assessments.
5. Prepares budget for each fiscal year for approval by USPC.
6. Prepares participation fee schedule for approval by USPC.
7. Collects participation fees.
8. Expends funds as per the budget.
9. Coordinates meetings
 - a. Sets up agendas and meeting announcements in cooperation with chair
 - b. Informs general counsel of meetings
 - c. Attends meetings and prepares meeting minutes.
10. Discusses legal issues with general counsel.
11. Provides periodic program status reports.
12. Maintains, updates and distributes master model list to participants as required.

REPORTING PROCEDURES

The Administrator will assign each participant a code number for use in reporting its data. Only the Administrator will know the identity of each code number, and only the Administrator sees the raw data.

The Administrator will post the Microsoft Excel based data submission template to the USPC web page. Participants should download the template and input their data, making sure to include their code number in the file.

For purposes of data security, participants may choose to break out their data under more than one code number, but no more than three. Code numbers will be assigned by the Administrator. Participants must contact the Administrator in order to have code numbers assigned. Code numbers can only be changed at the beginning of each calendar year. Breakout for multiple codes must also remain the same for the duration of the calendar year.

The individual company data submissions are due at IPR fifteen days after the end of the reporting period. Any revision should be marked clearly on each submission template. Participants should ensure that no company identification is shown on the completed reporting forms. The reporting forms are to be transmitted to the Administrator via email or fax.

The final report will be disseminated within seven days of the due date. When one or more participants are late in reporting, the Administrator will consult with the corresponding company representatives and the Executive Committee to decide whether or not to release a preliminary report by including estimates for late submissions. As soon as the actual data is available, a revised report will be released by the Administrator. Participants should submit revisions as soon as possible to the Administrator. Preliminary data will be clearly marked as such.

In order to perform verification checks as well as estimates for companies reporting late, participant data will be kept in the Administrator's security files for up to two consecutive calendar years (eight quarterly reporting periods or 24 monthly reporting periods). As soon as the ninth quarterly or 25th monthly reporting period data is submitted and validated, the first calendar year data will be erased from the Administrator's files.

REPORTING INSTRUCTIONS

1. Report shipments (not orders received) of domestic and foreign produced units into each regional market reporting data on.
2. Report unit shipments (*net of returns*) when they are recognized as revenue for accounting purposes in the period shown on the form.
3. Include OEM shipments to non-USPC vendors. Notify IPR as to which company the OEM shipment data is being provided for so that they are not double counted in the non member estimate.
4. Include gifts/donations when they are recognized for tax purposes. Include internal and demo units.

Reporting Instructions (cont.)

5. Include intra-company transfers unless difficult to report.
6. Include printers with a carriage width of at least 8 1/2 inches (with the exception of the small format printer category).
7. Report rental/lease of new equipment as an outright sale. Exclude placements of rental/lease units previously reported as an outright sale to avoid double counting.
8. Report single and multi-function inkjet printers by "street price", net of manufacturer rebates, for each month.
9. Single function inkjet printers (in total) should be broken out into Photo and B&C size printers.
10. Report mono laser and LED single function printers by speed band.
11. Report color page printers by speed band. When reporting speed, use color speed rather than black speed. Products marketed as mono printers with color capability will be reported as color by color speed. Exclude printers intended for production such as Indigo, Heidelberg, Nexpress, Xeikon and Xerox Igen and 6060.

Reporting Definitions and Criteria:

1. B-size printers - 11 by 17 inch size printers, including A3 size printers. Accept paper rolls.
2. C-size printers - 17 inch by 22 inch size printers. Accept paper rolls.
3. Color page printers - Laser, LED and solid ink color page printers.
4. Photo printers – Single and multi-function inkjet printers that can print at least an 8 1/2-inch by 11-inch photo and are shipped with 6-colors out of the box, and/or has card slot capability to print a photo without the need of a PC (a printer with PictBridge capability only does not meet the definition of a photo printer).
5. Multifunction units - copier or printer based multifunction products capable of performing two or more functions (scanning, copying, printing, facsimile) one of which must be printing. Only units shipped with integral MFP capability as MFPs are reported, not units that have optional MFP capabilities fitted/assembled on customer/distributor premises. Single function fax machines are excluded. Inkjet based multi-function printers will be reported as Business or Consumer. Business based multi-function inkjets are defined as a unit with the capability to fax and or has an ADF out of the box. PC based software fax ability does not qualify a device as business product. Consumer multi-function inkjet is defined as everything else.
6. Snapshot Printers (Small Format Photo Printers) – Prints less than A4 size and generally includes A5 and A6 formats. All technologies are included in this category.

Printers to be excluded

1. Terminals with printers
2. Line printers
3. Pen plotters
4. Imbedded printer engines/special purpose printers (configured by the manufacturer for specific applications)
5. Printers less than 80 columns or page printers less than 8 1/2 inches unless otherwise specifically indicated above.

CANADA AND LATIN AMERICA

The USPC also collects quarterly shipment data for Canada and Latin America. The data format for Canada and Latin America is identical to the U.S. data format, with the following exceptions:

1. Participants in the Canadian or Latin America reporting program are to report single function and multi function inkjet shipments based on the same price bands as reported in the U.S. program. Product placement is to be based on the price band placement of the equivalent U.S. model. Unique models shipped only to Canada or Latin America are to be reported in the price band reflecting the nearest U.S. equivalent model.

MODEL LIST

Companies are to submit their current model list to Don Driscoll at IPR via email (don.driscoll@iprcorp.com) each reporting period.

IPR will post the model list on the USPC web site each reporting period and inform members by email as soon as the list is available.

DATA SECURITY

In order to minimize risk of disclosure, totals for any category/cell in which fewer than three (3) companies are represented will be combined with data from another product category or dropped upon request by the participant(s). When necessary, the USPC Executive Committee will be consulted as to appropriate cells to collapse data into.

Data may also be combined when any participant's share in a category/cell exceeds the USPC specified level of at least 75%. If a disclosure problem exists, the Administrator will inform all participants of this fact without indicating which participants are involved. The participants then have the following options:

1. The affected company may choose to fully report their data even though doing this would exceed the 75% limit; or
2. The product category in which the disclosure exists will be combined with another category to be specified and approved by the USPC; or
3. The affected company may ask the Administrator to not disclose the sum of participant data for the product category/cell in which the disclosure exists.

The Administrator will key all reporting forms into a computer database and retain the electronic reporting forms in a secure location until destroyed. The computer database will be stored securely on the Administrator's PC and a backup copy will be created monthly and stored on CD. To eliminate errors, the Administrator will conduct validation tests and check for disclosure issues.

DATA VERIFICATION AND DISSEMINATION PROCEDURES

Data Verification

The Administrator conducts quality checks to verify the data reported and implements procedures that will ensure that the data is keyed in correctly into the system and the data output is accurate.

The USPC data compilation system includes checks for unusual fluctuations in reported data from individual participants and will identify individual reported line items that meet the following conditions:

- Current quarter reported unit figure exceeds two times the previous quarter figure
- Current quarter reported unit figure is less than 50% of previous quarter figure
- Current quarter reported unit figure is "0" and previous quarter figure was 1 or more units
- Current quarter reported unit figure is 1 or more units and previous quarter was "0"
- Column and row subtotals or control totals do not match reported data
- Photo Printers as a percent of total for the category

Data Dissemination

The Administrator compiles the participant shipments for each cell of the USPC reporting format and prepares the Sum of Participant Shipments report according to the instructions received from the participants each month/quarter and the USPC disclosure rules:

- Data will not be released if in a given cell less than three companies report shipments during the reporting quarter
- Data will not be released if a participant exceeds the disclosure ceiling of 75% share in a specific cell and instructs the Administrator not to disclose the Sum of Participant Data for that cell for the reporting period

The Administrator provides the following data to the Non-Participant Estimate Contractor:

- Sum of Participant Shipment Report
- Not Disclosed Sum of Participant Data
- For cells in which only one participant reports shipments during the reporting quarter, the Administrator will not provide data to the Non-participant Estimate Contractor

NON-DISCLOSURE POLICY

Companies participating in the USPC Program agree to circulate the combined USPC data/reports only within the company and only to those designated by the company and not distribute the report to any outside source nor discuss or cite the data publicly as USPC data. Any use of the data generated through the USPC program must be cited as company estimates.

Companies participating in the USPC Program may make USPC data available to firms or individuals that have signed a non-disclosure agreement and have a contract with the company to perform customized studies, etc. The data should be made available to such firms and/or individuals only if it is absolutely needed to fulfill their contractual obligations and not for any other compelling business need.

Companies participating in the USPC should assure that:

- The company they are doing business with has agreements in place with their employees that enable them to comply with all the terms of their confidential non-disclosure agreement.
- Their confidential non-disclosure agreement contains the following statement, or comparable wording with equivalent effect:

"You agree to hold all confidential information provided to you in conjunction with this agreement in trust and confidence for "company"; and such information shall be used only for the benefit of "company" and may not be used for the benefit of or, disclosed to your: other clients, services and/or information services."

- The USPC market size estimates provided under the non-disclosure agreement are labeled as "company" estimates rather than as committee estimates.

LATE SUBMISSION POLICY AND PROCEDURES

On the fifteenth day after the close of the reporting period, the Administrator will contact those who are late in reporting and advise them that they have one more week to submit their data. If companies fail to submit data within this time period, a preliminary report can be released at the discretion of the Administrator in coordination with the USPC Executive Committee, as long as those who are late in submitting data do not account for more than one-quarter of any cell to be reported (based on the totals reported for the most recent period). In this situation, the Administrator will develop a preliminary estimate for the late company based upon their performance from the most recent reporting period for each cell that they have previously reported data for. The consolidation report released to member companies will be clearly marked as preliminary. Companies that have failed to submit data will not receive this preliminary report. Once all companies have report their actual figures, the preliminary estimates will be replaced and final totals will be released.

DEPARTING MEMBERS AND ADDING NEW MEMBERS POLICY AND PROCEDURES

A combination of three or more companies entering or leaving the program will be necessary to avoid a disclosure risk among those who are entering / leaving, unless the companies involved are willing to waive this policy. Companies who enter the program should provide monthly data going back to the first quarter of the previous year to allow consistent year-over-year comparison of participant totals. If a company is unable to provide this information, the Administrator shall consult with the USPC Executive Committee to develop a consensus for one of the following approaches:

- IPR will apply a factor to the historic data that is based on the company's share in each cell for the earliest period reported by the company (regular disclosure rules apply).
- IPR will develop a non-participant estimate for the company based on the input from the company if possible. This estimate can either be added to the participant total or as a separate item (no disclosure rules apply to the company involved).
- No adjustments to historical data will be made.

Impact on comparability and accuracy of the participant totals, effects on disclosure rules and the preferences of the company involved will all be taken into account when deciding between these options.

When companies drop out of the program their data will be removed from the historical totals going back to the first quarter of the previous year. In order to avoid a disclosure risk, this exercise will be performed at the same time as other companies are added to the program. Until this is possible, the Administrator will treat the company that has dropped out the same as it would a company that is late in reporting.

NON-PARTICIPANT ESTIMATES

IPR will produce the non-participant estimates under the following guidelines:

1. Developing and maintaining Non-participant Estimates on a monthly basis.
2. Developing and maintaining the USPC Model Lists.
3. Analyzing quarterly the Participant Reports made available by the Administrator.
4. Providing Non-Participant Estimate to the Administrator two weeks after receipt of each Participant Report.
5. Keeping all data received from USPC Participants and the Administrator confidential.
6. Informing the Administrator of any problems concerning the collection of information from the USPC membership, the analysis of data, or any other issues.
7. Notifying the Administrator immediately if required to disclose any USPC Participant Report or Non-Participant Estimate information under law or government regulation and taking all reasonable actions to protect such data, including seeking a protective order.
8. Refrain from discussing any data with any company or individual not directly associated with the USPC

USPC MEDIA RELATIONS POLICY

The following are guidelines for responding to inquiries from the press, government, and other associations and organizations as well as the general public.

Media Relations Guidelines

- The Administrator will respond to inquiries from the press. The Administrator will not disclose any information or data that was not approved for release by the USPC or the USPC Executive Committee. In responding to inquiries concerning the USPC program in general, the Administrator will not provide any information other than that contained in the USPC press release or as authorized by the USPC or required by court order etc.
- USPCC members who receive inquiries from the media should follow the guidelines established for the Administrator and not release any data other than those approved by the USPC or required by court order. Members may refer inquires to the Administrator, the USPC chairman, or a member specifically designated by the USPC to handle the USPC media relations.