

VISUAL ELECTRONICS LTD

Channel Partner Program

Overview

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VISUAL ELECTRONICS LTD Channel Partner Program

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I. VISUAL ELECTRONICS LTD Channel Partner (CP) Program

VISUAL ELECTRONICS LTD is a world leader in providing information technology solutions to fortune 3000 corporations.

The goals of the program are to develop new market opportunities for VISUAL ELECTRONICS LTD sales through increased market coverage and account penetration. We want to utilize our partner's expertise to complement VISUAL ELECTRONICS LTD's strengths and allow both parties to focus on their core competencies. We believe that by creating a collaborative environment whereby our partners are encouraged to work with the VISUAL ELECTRONICS LTD direct business development representatives and our other partners that we will be able to generate 20% of VISUAL ELECTRONICS LTD's revenues in 2011.

The program will offer two distinct tracts: An **Agent Program** and **Value Added Reseller Program**.

Program Highlights

- Aggressive margins provided to partners
- Encourage partners to perform training and consulting activities to their customers.
- Pre-targeted market space for partners to minimize conflict with direct sales force and other partners.
- Direct Sales compensation package that encourages cooperation with channel partners
- Referral fees for maintenance sales and collections.
- Marketing Co-op Fund Program.
- Dedicated Channel Personnel to support partners.
- Access to VISUAL ELECTRONICS LTD virtual rooms for demonstration and training purposes.

II. Program Profiles

Within the program, VISUAL ELECTRONICS LTD offers two types of partnerships: An Agent program and a full product line Value Added Reseller program.

The **Agent Program** is for individuals or small/medium sized organizations focused on products or services related to VISUAL ELECTRONICS 5 practice areas. These companies are typically looking to expand their business model and include incremental revenues via technology sales. Agents will earn fees for leveraging existing business relationships in the generation of revenue sales. VISUAL ELECTRONICS LTD will be responsible for all of the fulfillment activities and provide the technical support to the end user.

The **Value Added Reseller** program is for organizations with a strong sales background and a focus on higher sales targets. The reseller will have a dedicated sales team to promote the VISUAL ELECTRONICS LTD suite of products and services. Resellers are entitled to higher discounts on products and services and will also receive discounts for the sale of initial and renewal maintenance. Under this plan, the reseller will be responsible for all of the fulfillment activities with the customer (i.e. completing the financial transaction) and VISUAL ELECTRONICS LTD will be responsible for product shipping and providing second level technical support. This plan allows the partner to focus its energies on sales efforts and providing quality training and consulting services to the customer, while the customer benefits from the extensive technical resource capabilities of the VISUAL ELECTRONICS LTD support staff.

III. Program Parameter & Requirements

Agent Program:

VISUAL ELECTRONICS LTD will pay a commission of 10% for all license activity and net revenue sales. Commissions will be paid after VISUAL ELECTRONICS LTD receives payment from the end user within 10 business days.

VISUAL ELECTRONICS LTD will pay a commission of 10% for all maintenance activity. Commissions will be paid after VISUAL ELECTRONICS LTD receives payment from the end user within 10 business days.

Partner may educate the VISUAL ELECTRONICS LTD sales force their proprietary (non-competing) products and services to increase the bandwidth of their distribution strategy.

Requirements:

Partner ideally will have been in business for at least two years and/or can demonstrate a high degree of product knowledge and can pass the necessary sales and product training classes.

Complete Partner Application and business and marketing plan detailing the nature of your organization and your sales strategy with regards to VISUAL ELECTRONICS LTD products.

Demonstrate product expertise.

Partners will work with the VISUAL ELECTRONICS LTD Channel Team to develop the list of the sales opportunities and forecast activities.

Value Added Reseller level:

- The partner fulfills order by purchasing products/services at discount and sets own end user price.
- Partners will participate in Marketing Co-op programs as well as Lead Generation programs.
- All partners will have access to complete VISUAL ELECTRONICS LTD collateral library.
- Program has a tiered entry and growth platform. (Silver, Gold, and Platinum Levels)
- Partner may collaborate with, and educate the VISUAL ELECTRONICS LTD sales force their proprietary (non-competing) products and services to increase the bandwidth of their distribution strategy.

i. Silver Level Program Description

VISUAL ELECTRONICS LTD will provide a discount of 20% for all sales activity on net revenue.

VISUAL ELECTRONICS LTD will provide a discount of 20% for all maintenance activity. This includes initial as well as renewal maintenance.

Deal Size Incentives

- \$100,000 to \$250,000 = Additional 3% Discount
- \$250,000 or more = Additional 5% Discount

VAR will provide marketing funds equal to 2% of the net total agreed revenue goal. Partner must get pre-approval for planned utilization of funds.

Partner commits to a yearly sales goal of \$250,000 net to VISUAL ELECTRONICS LTD.

ii. Gold Level Program Description

VISUAL ELECTRONICS LTD will provide a discount of 25% for all sales activity on net revenue.

VISUAL ELECTRONICS LTD will provide a discount of 25% for all maintenance activity. This includes initial as well as renewal maintenance.

Deal Size Incentives

- \$100,000 to \$250,000 = Additional 3% Discount
- \$250,000 or more = Additional 5% Discount

Partner commits to a yearly sales goal of \$500,000 net to VISUAL ELECTRONICS LTD

VAR will provide marketing funds equal to 2% of the net total agreed revenue goal. Partner must get pre-approval for planned utilization of funds.

iii. Platinum Level Program Description

VISUAL ELECTRONICS LTD will provide a discount of 30% for all sales activity on net revenue.

VISUAL ELECTRONICS LTD will provide a discount of 30% for all maintenance activity. This includes initial as well as renewal maintenance.

Deal Size Incentives

- \$100,000 to \$250,000 = Additional 5% Discount
- \$250,000 or more = Additional 7% Discount

Partner commits to a yearly sales goal of \$1,000,000 net to VISUAL ELECTRONICS LTD

VAR will provide marketing funds equal to 2% of the net total agreed revenue goal. Partner must get pre-approval for planned utilization of funds.

Requirements:

The partner must have a dedicated sales force and competent staff to adequately demonstrate the product line. VISUAL ELECTRONICS LTD has developed a Partner Sales Development Program (PSDP) to assist the partner in acquiring the necessary sales and product knowledge. Based upon the expertise of the partner, you will be required to attend the relevant sales and/or technical training classes within the program. Ideally, all of the sales reps of our partners are required to complete the 2-3 day program. VISUAL ELECTRONICS LTD will offer these classes on a regular basis. The cost of travel and living will be paid by the VAR. Cost for the program will be agreed upon prior to the event.

Quotas will be defined in the agreement.

Complete Partner Application and business and marketing plan detailing the nature of your organization and your sales strategy with regards to VISUAL ELECTRONICS LTD products.

All new resellers will enter into the ECP Program at the Silver level. The cumulative sales volume for the 12 month period following the execution date of the reseller agreement will determine the level for the second year. Promotion of status requires 100% achievement of assigned quota during the 12 month period following reseller contract execution. The reseller will remain at that level for the next 12 months, and the sales volume will again determine the level for the third year.

Partners will work with the VISUAL ELECTRONICS LTD Channel Team on an on-going basis to develop and maintain a list of the sales opportunities and forecast activities.

IV. Opportunities available to Partners

VISUAL ELECTRONICS LTD will compliment your efforts by providing your organization with the following real partner benefits:

A. Sales Support Activities

- conduct sales strategy's sessions for larger opportunities
- Sales call support via phone or possible on site visit
- Participate in seminars and trade shows to provide on support
- Participate in events hosted by VAR's if possible
- Coordinate resources with VISUAL ELECTRONICS LTD direct force and Corporate as necessary
- Coordinate sales representative development
- Assist in product training
- Access to Practice Area Directors
- Assist in Demo or Trail

B. Pre-sales Technical Support

- Coordinate training & development programs for partner's staff
- Provide demo workshops
- Coordinate new product training
- Assist in preparing for benchmarks
- Attend trade shows and seminars as required
- Provide guidance on VISUAL ELECTRONICS LTD new release strategy

C. Partner Sales Development Program

- Provide sales rep training material
- Provide product positioning training
- Provide lead generation

D. Direct Sales Collaboration

- VISUAL ELECTRONICS LTD has implemented a compensation model that encourages the VISUAL ELECTRONICS LTD direct force to work with the channel
VISUAL ELECTRONICS LTD sales teams will receive quota and commission credit for all VAR sales
- VISUAL ELECTRONICS LTD Sales Managers have vested interest in developing our partners in their territory
- VISUAL ELECTRONICS LTD sales organization will refer leads to partners.

E. Corporate Marketing

- Dedicated for channel partners, both strategic and field
- Product seminar series
- Executive events
- Strategy for providing collateral and marketing tools
- Lead generation activities
- Allow input into special promotions for channel
- Access to hardcopy collateral

F. Administrative Support

- Customized website (Partner Portal) for partners – provide access to sales and technical information (Currently under development).
- Product Training
- Access to demo software

G. Customer support

- Access to VISUAL ELECTRONICS LTD 2nd Level Customer Support Representatives

V. Business Plan requirements:

1. Provide company background. Include names of principals and office locations.
2. Identify the territory you wish to cover
3. Identify which program you are interested
4. Provide Marketing Program for sale of products
5. Provide required financial information as required to establish a credit line
6. Provide a sales estimate/forecast for the territory requested
7. Identify sales personnel and technical resources that will be dedicated to selling the Products
8. List current products and/or services being currently being sold.
9. Outline core competencies and industry focus.
10. List any complimentary products being sold (software/hardware/services)

VI. Frequently asked questions:

“What Products will I have access to?”

All

“Will I have any exclusive rights?”

There are no exclusive rights. All of our partners are allowed to compete for business in all markets except for those which are designated as VISUAL ELECTRONICS LTD exclusive. You may be restricted to a certain sales territory which will be outlined in your final agreement.

“Will I be competing with the VISUAL ELECTRONICS LTD sales reps?”

You may be competing with the VISUAL ELECTRONICS LTD sales force as well as other Partners. We have implemented a sales compensation model for our direct sales reps that encourage working with our partners and utilizing your core competencies. In addition, our business plan model has been developed to minimize any excessive coverage sales situations.

“Will the VISUAL ELECTRONICS LTD sales reps be encouraged to work with me?”

Our sales managers and sales representatives are being compensated for all activity that is sold within their territories including that business which is sold by our partners. They are encouraged to work with you and to provide sales and technical assistance as requested. Additionally, a collaborative relationship will encourage VISUAL ELECTRONICS LTD reps to quickly identify specific opportunities for our partners and turn them over to that partner.

“How will we manage the forecast?”

You will provide account and forecast detail to VISUAL ELECTRONICS LTD on a regular basis. Leads will be registered by the partner on the Partner Portal web site. These leads will then be designated to the particular partner, thus avoiding conflict with the direct sales force or other channel partners. It is important for our partners and direct sales force to work together as a team in order for us to accomplish our channel objectives. The VISUAL ELECTRONICS LTD direct sales force compensation plan will encourage cooperation, and allow the sales process to be managed by the company that has the best relationship in order to support the customer.

“Can I sell competitive products?”

While it is important that our partners demonstrate their commitment to selling VISUAL ELECTRONICS LTD products, we do not restrict our partners from selling competitive products.

“Where do I attend sales and technical training?”

You can attend any of the training provided by VISUAL ELECTRONICS LTD from your own facility.

“Where do I get information about the products?”

Information will be provided to the Channel Partner via a Partner Portal web site at VISUAL ELECTRONICS LTD.com, as well as from your channel manager.

“When can I start selling VISUAL ELECTRONICS LTD products?”

Once the partner agreement is executed.

Any additional questions should be directed to Andrew R. Candreva, who can be contacted in the Denver Colorado, VISUAL ELECTRONICS LTD HQ, office at 303-639-8450 Ext. 101 or acandreva@VEL-Co.com