ADDENDUM A.
(from Omron Distribution Agreement)

Omron Microscan (OCR)
CHANNEL DISTRIBUTION PARTNER
Authorizations, Requirements, Expectations and Incentives

OCR Tier Summary: An OCR channel partner is expected to be engaged at most every level of business and in all authorized markets. There is a strong AE/OSR engagement, minimal line card conflict in the machine vision (MV), barcode (ID) and verification product category (LVS), with consistent business planning activities that are meaningful and productive. NOTE: (For FY18 (April 1, 2018 to March 31, 2019), the following addendum will serve as a starting point during the transition and evolution of Omron's and Microscan's Advanced Sensing Technologies. At this time, only products previously offered by Microscan Systems are included in the OCR addendum.)

Two levels (Elite and Select) are offered in the OCR partner program. Each level has specific discount (multiplier) levels listed in the table below. Qualification for each level will be monitored and adjusted yearly by Omron Sales and Channel team based on channel partner meeting the expectations defined in this addendum.
A brief summary of the two levels and starting expectations are:

- **ELITE**
  - <u>The core OCR lines</u> (MV, ID and LVS) will be technically supported throughout the various stages of the sales process including design, proof of concept, BOM development, install and post-sales support including trouble shooting.
  - Demonstrated growth performance and comprehensive business plan with growth objectives consistent with OMRON regional expectations.
  - Demo equipment requirements as defined in this addendum will be acquired and maintained locally.
  - Continued training of local personnel and customers to maintain certifications.
  - Will not carry defined competitive lines that directly compete with the current product offering in MV, ID and LVS which are defined in Section 1B. For FY18, a grace period will be granted to legacy Microscan Channel partners to take the needed actions for compliance.

- **SELECT**
  - Choice of MV or ID product authorization with the option to include LVS product.
    - An LVS only option is also available
  - For the chosen technology, channel partner is expected to technically support throughout the various stages of the sales process including design, proof of concept, BOM development, install and post-sales support including trouble shooting.
  - Demo equipment requirements as defined in this addendum are expected to be achieved and available for the defined Area of Primary Responsibility (APR)
  - Omron will be the #1 supplier in the specific technology chosen. For FY18, if not currently #1, a path to attain #1 status will need to be mutually established by local Sales and Channel leadership.

POS: Mandatory for all Distributor partners and to be sent to Budde Marketing by the 5th of every month in accordance with Exhibit C of Omron Distribution agreement. oeipos@buddemarketing.com.

Discount Schedule:

The table below contains the three-digit identifier and the associated multiplier for each of the four Microscan defined product areas.

MSV- Vision   **MSL**- Verification (LVS)

MSI- Identification   **MSA**- Accessories

Partner Level	Multipliers, not Discounts per Product Line				Summary Requirements
	MSV- (Includes all MV H/W & S/W)	**MSI**- (Includes MicroHAWK AV)	**MSL**** (Off Line & Optional In-Line)	**MSA**- Accessories	
Elite Partner					
	(.55)	(.55)	(.65)	(.75)	Required demo gear for level**** Highest OMRON commitment, $$$ & growth Highly trained product specialist(s)/AE(s) Training on all lines; MV/ID lab
Select Partner					
Select-MV	(.62)	(.62)	(.85) ***	(.80)	Required demo gear for level ****
Select-ID	(.67)	(.62)	(.85) ***	(.80)	Lower annual target $$ & growth
Select-LVS	(.85)	(.85)	(.65)	(.80)	Trained product specialist/AE Training on product lines of focus
*The ID line includes access to MicroHAWK smart cameras with AutoVISION s/w at the same discount levels as other ID products ***Base LVS line includes all LVS 95xx Off Line Verifiers. Optional LVS 75xx In-Line Verification systems available under special authorization* ****Select-MV and Select-ID partners have access to LVS line at a transactional discount but can be fully authorized if trained and get demo gear* ***** Min initial investment depends on options selected and MV/ID lab equipment already available*					

1. Local Engagement

A. Business Planning

Planning Frequency	Expectations for Elite & Select OCR Partners	Channel Participants	Omron Who	Duration (Est)	In-Person Or Phone
Annual Bus Plan. (All Levels)	•Joint planning at beginning of Omron FY •Written plans by Market, Key/Targets & Product Categories •Key personnel identified (AE & OSRs) •Key/Target Accounts Shared & AM Territory Maps •Define Distributor APR, Individual Market Designations	•Sales Mgr •Senior Mgr(s) •*Principals**	•RSM •ASSM •*CDM**	2 Hours	In-Person @ Channel Partner
Business Engagement ELITE Quarterly SELECT 2-3 times per fiscal year	•Monthly Review (see below details) •Marketing Update •Lead Generation •Training and other mutual activities* •Co-Op incentive status •Staffing compliance review (Self-Sufficiency section) •Use of Omron Tools Review / Analysis •Written recovery plan if sales < LY 3 consecutive months	•Sales Mgr •Senior Mgr(s) •*Principals** **OSRs**	•ASSM •*CDM** •RSM* •AMs*	2 Hours	In-Person @ Channel Partner
Sales & Funnel Reviews ELITE- Monthly SELECT-bi Monthly	•Measure monthly progress toward goals •Review POP vs POS Trend •Sales Funnel Review with Actionable Items (both parties) •Consistent follow-through of actionable items •Funnel info updated by sales teams prior to meeting	•Sales Mgr •*OSRs**	•ASSM •*RSMs**	30 min	Conference call or in person

*As appropriate.
ASSM- Advanced Sensing Sales Manager.

Note: The above will be integrated as part of requirements for current Omron Tier 1 and Tier 2 channel partners.

B. **Linecard / Brand Loyalty Commitment**

- OMRON is expected to be the partner's #1 supplier for the product lines selected (i.e. machine vision, autoID or verification).
    - ELITE: OCR partners are expected to not carry, or have a plan on how to ultimately not carry, directly competitive machine vision, industrial barcode reading, and barcode verification products (i.e. Cognex, Keyence, Datalogic, Sick).
    - SELECT: Omron will be the #1 supplier in the specific technology chosen. For FY18, if not currently #1, a path to attain #1 status will need to be mutually established by local Sales and Channel leadership.

2. Self Sufficiency

A. **Application Engineers (AE) Requirements**

Definitions:
- Standard AE: Technical Resource (Product Champion, Product Specialist) without direct account responsibility that provides training, pre- and post-sales efforts in support of all OCR products sold through the distribution partner. Must fulfill all training requirements of "Trained Staff".
- Dedicated AE: Same as above with a commitment of >50% of their efforts supporting machine vision and barcode reading applications with a compensation incentive tied directly to Omron strategic growth.

Elite partners need to have a minimum of one Dedicated AE who is appropriately trained on the Core OCR product lines.

Compliance of proper staffing will be monitored on a quarterly basis. The local Omron Sales Manager will have final authority on compliance with AE staffing requirements.

Requirement Notes:
- AE staffing requirement is for EACH regional market the distributor is authorized to sell Omron OCR.
- Limitations on the max size of market that an AE supports (geography & revenues) will be set by Omron RSM.
- In the event of AE termination, a grace period of 120 days is granted to hire a replacement & fulfill training
- When in question, Omron reserves the right to determine appropriate designation of what qualifies as a Standard or Dedicated AE and the proper regional market size.

B. **Outside Sales Rep (OSR) Engagement**

OCR 3yr Revenue Avg.	# of OSRs	OCR Channel Partner Expectations
Baseline	1	Elite: • The # required OSR(s) activity is primarily centered around, or involves OMRON OCR solutions (>50% of sales activity)
>$ 500K	2	• Active communication and joint efforts with local OMRON AM and OCR Specialist are established including monthly funnel reviews and activity planning
> $1.5 M	3	Select:
		• The # required OSR(s) activity is met with minor exceptions and engagement with OMRON is sufficient (>25% of sales activity)
		• Joint efforts exist with local OMRON AM and OCR Specialist including quarterly reviews

NOTE: Engagement is a collective assessment by Omron and Channel personnel about Distributor's OSRs focus and commitment to the Omron OCR product line.

C. OCR Trained Staff

The expectations below are designed to cover the minimum OCR specific Training Requirements in a given year. This is expected to change on an annual basis. Additional basic level courses and / or courses for new products and technology may be added as needed throughout the year.

OCR Channel Partner Training Requirements					
(The #s below represent mandatory annual quantities)				Required if LVS 75xx line is selected	
	Minimum OCR Webinar Participation Elite/Select	OCR E-Learning (Options provided at business planning) Elite/Select	OCR Boot camps (On site at partner)	OCR Boot Camps (At OMRON HQ or POC locations)	LVS 75xx Hands-On Training (at OMRON HQ or other regional location TBD)	LVS 75xx Installation training (at OMRON HQ or other regional location TBD)
Outside Sales	2 / 1	2 / 1	Elite: 1/year mandatory and for all new authorizations Select: On request basis and for all new authorizations	Available for new hires with approval	Hands-on training must be completed by at least one sales and one technical resources to receive authorization	Must have a technical resource trained and certified for LVS-75xx installation and support. OCR installation personnel will supervise first installation.
Inside Sales	2 / 1	2 / 1				
Standard AE	2 / 1	2 / 1				
Dedicated AE (Elite)	2 / -	2 / -				
NOTE: The number of training opportunities available exceed the minimum requirements listed above. Training options to be identified and expectations set during the Annual Business Planning Session and reviewed during Quarterly reviews.					

D. Availability of Demo Equipment

Based on the products sold per location, OCR partners will need to minimally possess the following maintained and up to date demonstration equipment.

	Elite	Select (Requirements apply to selected lines of focus)
AutoID	MicroHAWK ID demo kit with at least one each of ID-40, ID-30, ID-20 configurations. At least one QX-8x0 demo unit OR MS-3 demo unit At least one HS-360X OR HS-41X handheld	MicroHAWK ID demo kit with one each of ID-40, ID-30 and ID-20 configurations One QX-8x0 demo unit OR MS-3 demo unit One HS-360X OR HS-41X handheld
Machine Vision	Dual boot licenses for all MicroHAWK ID demo units At least one HAWK MV 4000 smart camera OR a GigE camera and Visionscape software demo kit	Dual boot licenses for all MicroHAWK ID demo units One HAWK MV 4000 smart camera OR a GigE camera and Visionscape software demo kit
Verification	At least one LVS 9510 or LVS 9585 handheld One LVS 75xx if authorized for and trained on optional LVS 7510 in-line verification line	One LVS 9510 or LVS 9585 handheld One LVS 75xx if authorized for and trained on optional LVS 7510 in-line verification line
Accessories	Full MV/ID application evaluation lab required including a good collection of NERLITE MV lights and lenses.	Appropriate list of accessories for selected product lines of focus
Min initial Investment	~$15,000 depending on options selected and machine vision lab equipment already available	~$5,000 per line depending on lines and options selected
	~$6,000 additional if OPTIONAL LVS-7510 in-line verification/Print Inspection line is selected	

List of recommended demo gear bundles and corresponding part numbers is provided in Appendix B.

E. **Use of Omron Tools**

- Use of EDI and Portal for POs on 90% of transactions
    - For order entry and price & availability requests
- Proper use of Technical Support Group (TSG)
    - Metrics to be added throughout FY18
- Use of MyDashboard and Onset for obtaining product and pricing information.
    - Metrics to be developed throughout FY18

3. OCR Channel Partner Additional Programs

A. **Special Price Requests**
- Available for defined Key and Target accounts
- Dependent on level of detail provided and local market conditions.
- Beginning April 1, 2018, all business transactions will be conducted per standard Omron Customer Care and via the Omron portal.

B. **Marketing**
- Support of local efforts to create awareness of OCR capabilities with partner's end customers.
    - Must perform outbound commercial marketing activities.
- Top priority for leads generated in local market
    - Must report information on the status and quality of qualified leads provided on a quarterly basis.
- Omron Website listings
    - OMRON Microscan products on partner's website(s) and/or manufacturer line cards.
- OCR focused customer facing event(s) per year with support of Omron
    - ELITE – two
    - SELECT- one

C. **Stock Rotations**
- Stocking requirements and stock rotation options to be established during fiscal 2018. Currently, Microscan product will NOT be available for stock a rotation, which is consistent with the previous Microscan program.

4. Incentive Programs

OMRON offers several incentives for maintaining Partner Level requirements, which include a Co-op program. Our goal is to provide incentives in multiple business areas of our mutual engagement to increase the value our channel partners realize in being an authorized Omron distributor. Below is an update of the incentives being offered for maintaining the ELITE or SELECT Partner Level requirements for FY18.

A. Co-op Growth Target Attainment

Local promotion is vital for mutual growth. To help fund initiatives to grow Omron's business, Co-op funds will be offered to ELITE & SELECT OCR channel partners. We believe the availability of these funds will create additional visibility within your organization for the value of working with Omron and reinvestment in the relationship.

To ensure a fair and accurate program for FY18, the % of funds will be calculated on actual shipments throughout the year. Standard program practice is to pay based on Year over Year growth.

Program key components:
- A step function % of OCR purchases based on the chart below.

Microscan purchases from April 1, 2017 to March 31, 2018				
From	To	%	Max Payout	Level
$ 1	$ 250,000	0.50%	$ 1,250	Elite / Select
$ 251,000	$ 500,000	0.75%	$ 3,750	Elite / Select
$ 501,000	$ 750,000	1.00%	$ 7,500	Elite / Select
$ 751,000	$ 1,000,000	1.25%	$ 12,500	Elite Only

- Changes in the % will revert to dollar one (Payout example shown below).

Example Co-op Payouts	Cumlative Purchases	Co-op %	Co-op Earned	Net Co-op paid in the Quarter
Q1	$125,500	0.50%	$ 628	$ 628
Q2	$230,000	0.50%	$ 1,150	$ 523
Q3	$410,800	0.75%	$ 3,081	$ 1,931
Q4 Finish	$610,600	1.00%	$ 6,106	$ 3,025

- Payouts for both levels will be made available on a quarterly basis in FY18.
  - For current Omron distributors, earnings will be added to their overall co-op ledger and are not restricted solely to OCR initiatives.
  - All Co-op funds will be issued as a credit to the Distributor's account.

- Time Frame
  - Funds earned through Q3 need to be spent by March 31, 2019
  - Funds earned in Q4 need to be spent by June 30, 2019

General Guidelines for Co-op Funds:

- Omron desires to have a flexible Co-op program that our channel partners value. Earnings can be used to purchase Omron Demo Equipment, fund customer trainings, develop marketing campaigns, create joint branded merchandise, and similar business development activities. In addition, with approval from the Omron VP of Sales, jointly funded personnel will be considered as an option for use of funds.

- Based on feedback from partners and sales leaders, below are areas we have added additional structure and clarification. For FY18, activities not covered below will be reimbursed from 50% to 100% depending on the type activity and the total amount of funds to be used. Final decision for any discrepancies will be made by the Omron Director of Channel.

OCR Demo Equipment (exact discounts may be subject to change before final draft)
- o **(Note:** Co-op funds may NOT be used to purchase Omron Product for immediate resale, but may be used to purchase product for permanent displays.

Discount from Standard Multiplier for Demo Purposes

OCR Level	Equipment	Accessories used for Demo purposes.	Exceptions to Equipment Demo Discount				
			Nerlite and Handhelds	Barcode Verification Kits (with Vision HAWK)	LVS-95XX Barcode Verifiers	HAWK MV-4000 Cameras	HAWK MV 4000 Accessories
ELITE	25%	15%	10%	20%	20%	20%	15%
SELECT*	25%	10%	10%	20%	20%	20%	10%

* Resctricted to specific technology authorized for (MV, ID or LVS).

Example: Select Partner demo purchase:

Part#	Desc	List Price	Select Level Multiplier	Demo Discount	Demo Multiplier	Demo Cost
SLN-000036	ID/MV-30	$3,168	0.61	25%	0.4575	$1,449.36

- o NOTE: Prior to reimbursement, the distributor must first purchase the parts via the Omron Portal. Once the invoice is received, send it with the Approval Form to the email address specified in the Approval form.

Joint branded marketing promotions and apparel
- Omron guidelines must be followed when displaying the Omron logo
- Design must be submitted for compliance before being approved.
- Promotions reimbursed up to 100% depending on number of other vendors promoted
- Apparel reimbursed up to 50% assuming Omron is only vendor promoted.
- For items purchased from the Omron Promotions Store- store.omron247.com , the maximum percent to be reimbursed is 50% .

PROCESS OVERVIEW

1. A Co-op Approval form is to be completed emailed to the local Omron Channel Development Manager (CDM) prior to the occurrence of the activity or purchase for approval. Sixty (60) days advanced notice of any events or purchase is preferred.
2. When the expense has been incurred, proof of the expenditure and the approval form are to be sent to the email on the approval form
3. A request for credit will be issued within 5 business days barring any issues with proper documentation.

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B. Marketing Support
   i. Preferential positioning in Distributor Locator on Omron's Website.
   ii. Discretionary leads from initiatives from Omron's Sales Development Group (SDG)
   iii. Preferential consideration in Omron's continual Direct to Distribution conversions.
   iv. First consideration for Joint Marketing programs offered throughout the year.

Acknowledgement of Omron Channel Partner OCR Platinum requirements with intent to comply.

Partner Level (Elite/Select) [1]:   _____

Product Lines of Focus (MV, ID, LVS) [2]:   _____

Optional Line (LVS 75xx) [3]:   _____

Area of Primary Responsibility (APR) [4]:   _____

Notes
1. Partner level designation is determined by OEI and is re-evaluated annually.
2. For Select partners, partner has to select at least one OCR core product line (MV, AutoID or LVS Verification).
3. Elite and Select authorized for the basic LVS off-line verification (LVS 95xx) product line, may request authorization to add the optional in-line verification (LVS 75xx) product line. Additional training and demo gear requirements apply to the LVS 7510 in-line verification.
4. List States and / or Geographic Regions (i.e. GA, FL or Western KY). Please contact your current Microscan Regional Manager if needed.

DISTRIBUTOR: SUPPLIER:
                                                   OMRON ELECTRONICS LLC
                                                   2895 Greenspoint Pkwy, Ste 100
                                                   Hoffman Estates, IL 60169

By: _____   By: _____
   Name: Name: Mark Binder
   Title: Title: Director of Channel Relations

   DATE: DATE:

Appendix A
Business Plan Template

Target completion date: June 2, 2018 or 60 days after execution of Addendum.

Appendix B

Recommended Demo Equipment Bundles

Product Line	Part Number	Description
AutoID Industrial laser scanner & accessories	FIS-0830-1004G	QX-830, Industrial Barcode Reader, Raster Line, Low Density, Serial+Ethernet
	97-000012-01	Power Supply, 100-240VAC, +24VDC, M12 12-Pin Socket
	61-000163-03	QX Cordset, Host, Ethernet, M12 8-Pin Plug (Screw-On)-to-RJ45, 3 m.
AutoID DPM handheld. Select one	HS-360X (TBD)	New Generation industrially hardened handheld DPM reader – Wired (USB)
	HS-360X (TBD)	New Generation industrially hardened handheld DPM reader – Wireless (Bluetooth)
	FIS-HS41X-0001G	HS-41X Handheld DPM Reader USB 6 ft. Straight Cable
	FIS-HS51X-0002G	HS-51X Wireless Handheld Reader with Battery Bluetooth Charging Base USB Cable
AutoID MicroHAWK Demo kit	98-9000039-03	MicroHAWK demo kit. Contains mounting blocks, power supplies, cables, test cards, Demo Kit Setup Guide, and demo kit carrying case. *MicroHAWK units below sold separately.*
	7211-1102-0000	MICROHAWK,ID-20,WVGA,SD,102MM,RED
AutoID Select these if signing up for AutoID ONLY	7312-2000-1005	ID/MV-30, SXGA, HD, Autofocus, Red LEDs, X-Mode
	7412-2000-1005	ID/MV-40, SXGA, HD, Autofocus, Red LEDs, X-Mode
AutoID/MV Select these if signing up for both ID & MV	SLN-0000036	ID/MV-30, SXGA, HD, Autofocus, White LEDs, Full ID/MV License Set, Cable/Mount, Dual Boot
	SLN-0000037	ID/MV-40, SXGA, HD, Autofocus, White LEDs, Full ID/MV License Set, Cable/PS/Mount, Dual Boot
Machine Vision HAWK 4000 demo kit	8113-1160-0104	HAWK MV-4000-20 Kit, AV+VS+VERIF/OCV, 16MM STANDARD LENS, IP COVER, UNIVERSAL MOUNT. 2MP.
Machine Vision GigE cameras & Visionscape S/W option	98-000222-01	VS GigE Camera, 5 MP Mono, CMGC50, 2592x1944 Pixels, CMOS
	98-000138-01	VS GigE Camera Power Supply, 24V, U.S./Euro/UK
	GMV-VGL0-1DD1	VS GigE License Key with Intellifind & DIVs
	98-000258-01	Lens 16 mm F/1.4-16, Front Thread 27 mm P 0.5 mm, 2/3 in. C-Mount
	98-000140-01	Single Port GigE Network Interface Card PCIe
Machine Vision Sample NERLITE lighting options	NER-011660211G	Smart Series MAX Wide, 100 mm, White, M12 Connector
	98-000228-01	Smart Series Pharmalite, 60°, Dark Field, White, M12 Connector
	NER-011660610G	Smart Series DOAL, 75 mm, White, M12 Connector
	NER-011660910G	Smart Series Ring, 70 mm, White, M12 Connector
	NER-011659510G	NERLITE 100x100 mm, White, Backlight, 24V Continuous, 150 mm, Cable M12
	NER-011600041	NERLITE DF-150-1, White, Diffuse, Dark Field, 24V Continuous, Open-End Cable
	97-000006-01	DSP100, 24VDC, 4.2A DIN Mount Power Supply (NERLITE power supply)
Verification (Off Line) Select one	9585-DPM	LVS-9585 Handheld 1D 2D & DPM Barcode Verification
	9510-5-4.5	LVS-9510 off-line tabletop Verifier 4.5 FOV
Verification (In-Line) Optional – Required if authorized	7510P-5-ZT610-300DPI*	LVS-7510-5-ZT610-300DPI, INTEGRATED W/Zebra ZT610 300 DPI PRINTER