

FY20 Campaign Terms

CAMPAIGN AGREEMENT ("Campaign Agreement")
FOR
[LC000390-00] - CEE FY20H2 – Speed up your growth Incentive Campaign - CSP Indirect Resellers
and CSP Direct Partners - updated ("Program")

OFFERED BY Microsoft Ireland Operations Limited ("**Microsoft**") and/or

OFFERED BY N/A ("**Microsoft**")

1. PROGRAM OVERVIEW

Microsoft extends to eligible partners the opportunity to participate in the Program referenced above subject to these Program Terms & Conditions ("Program Terms"). Each entity participating in the Program is hereinafter referred to as a "**Participant**." Participation in the Program is voluntary.

The Program is governed by the Program Terms, which incorporate by reference the Microsoft Partner Network Agreement (as in effect between Microsoft and Participant, the "MPN Agreement"). Capitalized terms used but not defined in these Program Terms have the meanings assigned to them in the MPN Agreement. These Program Terms including payment processes are subject to local requirements and may vary by jurisdiction, and Participant retains sole discretion to set pricing for sales of applicable products. The [Country-Specific Provisions \(https://assetsprod.microsoft.com/country-specific-provisions-mpn.pdf\)](https://assetsprod.microsoft.com/country-specific-provisions-mpn.pdf), which set forth the applicable law, jurisdiction, and Microsoft contracting entity, are hereby incorporated into this Agreement.

BY PARTICIPATING IN THE PROGRAM, SUBMITTING INFORMATION TO MICROSOFT IN CONNECTION WITH THE PROGRAM, OR ACCEPTING ANY PAYMENTS FROM MICROSOFT AS A RESULT OF THE PROGRAM, PARTICIPANT AGREES TO AND ACCEPTS THESE PROGRAM TERMS.

2. TERM

The Program term begins on **January 01, 2020** and ends on **June 30, 2020** ("**Term**"). Microsoft may update, change, cancel or terminate the Program or the Term or any portion of these Program Terms at any time.

3. COMPANY ELIGIBILITY

To be eligible for a Program and the associated incentives, Participant must:

- Have an active MPN membership and remain in compliance with these Program Terms.
- Must be enrolled in Partner Center by the end of the earnings period in order to receive payment. Partners who don't enrol on time will forfeit their earnings. For more information on enrolment visit <https://docs.microsoft.com/partner-center/>.
- Provide any required banking information, including account number(s), to Microsoft (or the third-party payment vendor authorized and designated by Microsoft) for the purpose of receiving Incentive Payments under this Program.
- Provide any required reporting set forth below directly to Microsoft (or its designated third party) by the stated deadline.
- If requested, provide acceptable proof of performance to Microsoft (or its designated third-party) by the stated deadline.
- Be eligible from the start date of the Program in order to participate. Exception allowed for new CSP partners and Unmanaged Resellers who meet eligibility requirements at least one month prior to Program end date.

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- Eligible partners are **CSP Indirect Resellers and CSP Direct Partners eligible to the global CSP Indirect Resellers and/or CSP Direct Partners Incentive Programs** by start date of the campaign. Those Partners must also meet this criteria by one month prior to the Program end date. Eligibility criteria for global CSP Indirect Resellers and CSP Direct Partners Incentive Programs are defined in respective program guides available at: <http://aka.ms/partnerincentives>
- Eligible partners with MPN locations in CEE will be enrolled in this Program automatically, however partners with MPN locations in EU/EFTA but not in CEE, need to register for this campaign by contacting erebates@microsoft.com
- **EU/EFTA** consists of the following countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom.
- **Central Eastern Europe (CEE)** consists of the following countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Greece, Hungary, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, Macedonia (FYROM), Malta, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan.

4. PAYMENTS

Rebate payments will be made to Participant by Microsoft as described below. Unless otherwise stated, any payment to Participant under this Program is independent of any other Microsoft Incentive program. Minimum pay-out to Participant is set at: **200 USD**. If Participant accrues less than the minimum pay-out amount, Participant will forfeit the unpaid rebate amount. Maximum pay-out amount for Participant per eligible quarter is capped at: **20 000 USD** (applies to Q3 and Q4 separately - effective Program period).

Microsoft will pay each incentive payment no later than 90 days after the applicable milestone due date. Participant must report any errors, issues or disputes regarding the calculation and payment of Incentives to Microsoft in writing within 30 days of receipt of the applicable payment or report from Microsoft. If Microsoft has not received written notice from Participant within the 30-day period, Participant will be deemed to have accepted the calculation or payment. Microsoft reserves the right at any time to adjust the payment to a Participant, if Microsoft identifies any discrepancy, error or omission concerning reported revenue. Unclaimed payments that are outstanding for more than 90 days will be forfeited.

Credit note: The Rebate will be paid to the partner's SAP ID for:

- a) Partners transacting in the subsidiary with Microsoft signed contracts in the subsidiary: Payment will be made to the SAP ID in the agreement signed with the subsidiary.
- b) Partners transacting in the subsidiary with Microsoft signed contracts in the ROC (Regional Operating Center): Payments will be made to their SAP ID in the agreement signed with the ROC.

Wire transfer (for those partners with whom we don't have a direct transactional relationship): The Rebate or Fee will be paid by a 3rd party payment company or by Microsoft and may be converted from US Dollars to local currency.

Participant may be invited by Microsoft to a secure site for submitting banking details. Valid banking details are required for Microsoft to pay the Rebate amount. Failure to submit or correct banking details after the 3rd notification will result in claim being cancelled and funds forfeited. The recipient nominated in the banking details must be a company. The company name must be the same as the name of the Participant making a claim under this Program. Registration with personal banking details instead of a

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company banking details will result in claims being rejected. If any registration requirement is incomplete, a Partner cannot earn a pay-out in the program.

Participant must be 100% payment compliant from start of program until payment has been issued. If partner does not adhere to this payment compliance requirement, they will forfeit any incentive payment under this program. Payment compliance means that Participant's open account with Microsoft is current at all times.

5. EXCLUSION WHERE PARTICIPANT'S AFFILIATES ARE PARTICIPANT'S CUSTOMERS

This Agreement does not apply to and Participant will not request or accept any payment from Microsoft under this Agreement associated with the sale, license or deployment of Microsoft Products to any customers of the Participant that are also an Affiliate of the Participant or where Participant it owes an agency or fiduciary duty, contractual or legal in nature, related to the services that have allowed Participant to meet a milestone.

6. LIMITATION OF LIABILITY

To the maximum extent permitted by applicable law, in no event shall Microsoft or any of its affiliates be liable for any damages or losses whatsoever (including, but not limited to, damages for loss of profits, for business interruption, for loss of privacy, for failure to meet any duty including of good faith or of reasonable care, for negligence and for any other pecuniary or other loss whatsoever) arising out of or in any way related to a party's participation in the Program, even if Microsoft has been advised of such damages, and even in the event of fault, tort (including negligence) or strict or product liability or misrepresentation. Unless there is an event giving rise to additional liability under applicable law, Microsoft's and its affiliates' liability is limited to the total amount payable to the party via a credit memo, arising out of the specific Program out of which the claim arose.

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Additional Program Terms for LC000390-00] - CEE FY20H2 – Speed up your growth Incentive Campaign - CSP Indirect Resellers and CSP Direct Partners - updated

“Affiliate” means any legal entity that owns, is owned by, or that is under common ownership with Participant or Microsoft. Ownership means control of more than a 50% interest.

“Distributor” means a distributor who is authorised by Microsoft to sell Eligible Products pursuant to a Microsoft channel agreement.

“Customer” means any legal entity (other than Participant or its Affiliate(s)) within the Territory that acquires Licensed Offerings for use as an end user, and not for distribution or resale.

“Licensed Offerings” means Licensed Software, Hardware, Services, Documentation Components and Software Assurance collectively.

“Microsoft” means the applicable Microsoft entity determined in accordance with the MPN Agreement.

“Reseller” means an entity (other than Participant’s Affiliate(s)) within the Territory that purchases Licensed Offerings for resale directly to Customers.

“Territory” means the geographic area in which Participant is authorized by Microsoft to distribute the Eligible Products during the term of the campaign.

Program Summary: Goal of the "Speed up your growth Incentive Campaign" is to support CSP Indirect Resellers and CSP Direct Partners in their efforts to accelerate growth of the cloud business. On top of all existing Microsoft Partner incentives, eligible CSP Indirect Resellers and CSP Direct Partners for every Microsoft cloud product sold in CSP monthly billing during January 01, 2020 - June 30, 2020 will receive 30% incentive award on the additional billed revenue growth versus prior quarterly growth.

Program Details and Purpose: Program details are outlined in the below table.

Detailed Eligibility Criteria:

Criteria	Eligibility	Details
Effective date	January 01, 2020 – June 30, 2020.	Program is applicable during the eligibility dates only – inclusive of both the days.
Participant Territory	See in column “Details”.	Eligible partners with MPN locations in CEE will be enrolled in this Program automatically, however partners with MPN locations in EU/EFTA but not in CEE, need to register for this campaign by contacting erebates@microsoft.com Territories of CEE and EU/EFTA are defined above under “COMPANY ELIGIBILITY”.
Customer segment and location	All Commercial and Public Sector Customers.	Eligible customer segments: 1) Commercial Customers: <ul style="list-style-type: none"> ● Commercial Enterprise, ● Strategic Enterprise, ● Small, Medium & Corporate Commercial.

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Criteria	Eligibility	Details
		<p>2) Public Sector Customers:</p> <ul style="list-style-type: none"> ● Public Sector Enterprise, ● Strategic Public Sector, ● Small, Medium & Corporate Education, ● Small, Medium & Corporate Government. <p>This Program is designed to create business opportunities and to target end customers based in CEE. CEE consists of the following countries: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Greece, Hungary, Kazakhstan, Kosovo, Kyrgyzstan, Latvia, Lithuania, Macedonia (FYROM), Malta, Moldova, Mongolia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan.</p>
<p>Partner Types</p>	<p>CSP Indirect Resellers and CSP Direct Partners.</p>	<p>Eligible partners are CSP Indirect Resellers and CSP Direct Partners eligible to the global CSP Indirect Resellers and/or CSP Direct Partners Incentive Programs by start date of the campaign. Those Partners must also meet this criteria by one month prior to the Program end date. Eligibility criteria for global CSP Indirect Resellers and CSP Direct Partners Incentive Programs are defined in respective program guides available at: http://aka.ms/partnerincentives</p> <p>Eligible partners with MPN locations in CEE will be enrolled in this Program automatically, however partners with MPN locations in EU/EFTA but not in CEE, need to register for this campaign by contacting erebates@microsoft.com</p> <p>Territories of CEE and EU/EFTA are defined above under "COMPANY ELIGIBILITY".</p> <p>To be eligible to earn under this program the partner must satisfy all the requirements defined above under "COMPANY ELIGIBILITY".</p>
<p>Pricing Level, Licensing Programs, Purchase Type,</p>	<p>See in column "Details".</p>	<p>Licensing Program: Cloud Solution Provider (CSP).</p> <p>Eligible products: all products.</p> <p>Billing Option: monthly billing (annual billing <u>excluded</u>).</p>

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Criteria	Eligibility	Details
<p>Rev Sum Division, Billing Option</p>		<p>Eligible partner will receive incentive award for billed revenue coming from CSP sales in monthly billing during the Program effective period (January 1, 2020 – June 30, 2020) where partner is CSP Indirect Reseller and/or CSP Direct Partner.</p> <p>Note: Customers (tenants) that had billed revenue coming from CSP sales in annual billing in previous 12 trailing months (regardless of transacting Partner) <u>do not count</u> towards the revenue achievement. This requirement will be applied for every month during campaign period and revenue in each month will be compared with 12 months before this selected month.</p>
<p>Sales Criteria</p>	<p>Billed revenue based.</p>	<p>Microsoft fiscal year (FY) quarters definitions:</p> <ul style="list-style-type: none"> • Q1 – from July 1, 2019 to September 30, 2019, • Q2 – from October 1, 2019 to December 31, 2019, • Q3 – from January 1, 2020 to March 31, 2020, • Q4 – from April 1, 2020 to June 30, 2020. <p>Quarter over Quarter eligible billed revenue growth rate (QoQ growth rate) will be calculated separately for each quarter per eligible partner as:</p> <ul style="list-style-type: none"> ○ Q2 QoQ growth rate = (Q2 billed revenue – Q1 billed revenue)/Q1 billed revenue. ○ Q3 QoQ growth rate = (Q3 billed revenue – Q2 billed revenue)/Q2 billed revenue. ○ Q4 QoQ billed growth rate = (Q4 billed revenue – Q3 revenue)/Q3 billed revenue. <p>Current quarter QoQ growth rate must be positive and higher than prior quarter QoQ growth rate – applies to Q3 and Q4 (effective Program period):</p> <ul style="list-style-type: none"> ○ Q3 QoQ growth rate must be positive and higher than Q2 QoQ growth rate, so that Q3 billed revenue is considered for incentive calculation. ○ Q4 QoQ growth rate must be positive and higher than Q3 QoQ growth rate, so that Q4 billed QoQ revenue is considered for incentive calculation.

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Criteria	Eligibility	Details
<p>Incentive Award</p>	<p>See in column "Details".</p>	<p>Provided sales criteria are met, eligible partner will receive 30% incentive award on current quarter revenue that is greater than the partner's prior quarter revenue multiplied by the prior quarter QoQ growth rate. Incentive award will be calculated separately for Q3 and Q4.</p> <p>In case prior QoQ growth rate is negative, partner will receive incentive award for current quarter billed revenue that is above prior quarter billed revenue.</p> <p>Additionally, in case prior quarter billed revenue is from 0 USD to 1000 USD:</p> <ul style="list-style-type: none"> • current quarter QoQ growth rate will be 0%, • above sales criteria that "current quarter QoQ growth rate must be positive and higher than prior quarter QoQ growth rate" will <u>not</u> apply, • partner will receive incentive award for current quarter billed revenue. <p>Earning examples – please see Appendix 1.</p> <p>Partners eligibility is determined at the country level. For clarity, where an eligible partner has multiple TPID's, the associated revenue will be aggregated prior to performing the incentive calculation.</p> <p>Note: This Program is running on top of other incentive programs that partner is eligible for.</p> <p>For an eligible transaction to be included in the incentive calculation, it must have been recorded in the Microsoft internal sales tools during the relevant program period.</p>
<p>Payment</p>	<p>Payment Method: Wire Transfer.</p> <p>Payment Frequency: End of campaign.</p>	<p>Eligible partners who earned incentive will be paid within 90 days of the conclusion of the relevant payment period.</p> <p>For more information regarding the determined payment method refer to "PAYMENTS" section above.</p> <p>For payment-related questions contact erebates@microsoft.com</p>

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Criteria	Eligibility	Details
Thresholds	See in column "Details".	<p>Quarterly thresholds:</p> <ul style="list-style-type: none"> • Maximum pay-out amount for Participant per eligible quarter is capped at: 20 000 USD. <p>Total campaign thresholds:</p> <ul style="list-style-type: none"> • Minimum pay-out amount for Participant is set at: 200 USD. If Participant accrues less than the minimum pay-out amount, Participant will forfeit the unpaid rebate amount.
Rebate Activities/ Documentation	See in column "Details".	<p>During the Term of this Program, Participant will perform the following rebate activities ("Rebate Activities"):</p> <p>For an eligible transaction to be included in the incentive calculation, it must have been recorded in the Microsoft internal sales tools during the relevant Program period.</p> <p>For CSP Direct Partners: Eligible revenue is determined by Microsoft's internal sales tools as invoiced sales of qualifying products during the earning period.</p> <p>For CSP Indirect Resellers: Eligible revenue is determined by Microsoft's internal sales tools as invoiced sales to the Indirect Provider of qualifying products during the earning period.</p> <p>When provisioning a two-tier subscription using the Microsoft API, Indirect Providers must always include their downstream reseller's MPN ID in the field, "partnerIDOnRecord." Should the Indirect Provider fail to do so the Indirect Reseller will not earn an incentive on the transaction.</p>

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Appendix 1 – Earning examples

Note: The table below shows incentive calculation methodology for example purposes only. All details, including eligibility criteria, are described in Terms & Conditions above.

Example 1

		Program effective dates	
Q1 revenue	Q2 revenue	Q3 revenue	Q4 revenue
\$100 000	\$110 000	\$132 000	\$165 000
QoQ growth rate Note: In case prior quarter billed revenue is from 0 USD to 1000 USD, then current QoQ growth rate will be 0%.	$(\$110k - \$100k) / \$100k$ = 10%	$(\$132k - \$110k) / \$110k$ = 20%	$(\$165k - \$132k) / \$132k$ = 25%
Is current quarter QoQ growth rate positive and higher than prior quarter QoQ growth rate? Note: This rule will <u>not</u> apply in case prior quarter billed revenue is from 0 USD to 1000 USD.	YES	YES	
Revenue eligible for incentive = current quarter revenue that is greater than the partner's prior quarter revenue multiplied by the prior quarter QoQ growth rate. Note 1: In case prior QoQ growth rate is negative, partner will receive incentive award for billed revenue that is above prior quarter billed revenue. Note 2: In case prior quarter billed revenue is from 0 USD to 1000 USD, partner will receive incentive award for current quarter billed revenue.		$\$132k - (\$110k * 110\%)$ = \$11 000	$\$165k - (\$132k * 120\%)$ = \$6 600
Incentive award per quarter. Note: Maximum pay-out amount for Participant per eligible quarter is capped at: 20 000 USD.		$30\% * \$11k =$ \$3 300	$30\% * \$6,6k =$ \$1 980
Total incentive Note: Minimum pay-out amount for Participant is set at: 200 USD.		\$5 280	

Note: This Program is running on top of other incentive programs that partner is eligible for.

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Note: The table below shows incentive calculation methodology for example purposes only. All details, including eligibility criteria, are described in Terms & Conditions above.

Example 2

		Program effective dates	
Q1 revenue	Q2 revenue	Q3 revenue	Q4 revenue
\$50 000	\$49 000	\$53 900	\$64 680
QoQ growth rate Note: In case prior quarter billed revenue is from 0 USD to 1000 USD, then current QoQ growth rate will be 0%.	$(\$49k - \$50k) / \$50k$ = -2%	$(\$53,9k - \$49k) / \$49k$ = 10%	$(\$64,68k - \$53,9k) / \$53,9k$ = 20%
Is current quarter QoQ growth rate positive and higher than prior quarter QoQ growth rate? Note: This rule will <u>not</u> apply in case prior quarter billed revenue is from 0 USD to 1000 USD.	YES	YES	
Revenue eligible for incentive = current quarter revenue that is greater than the partner's prior quarter revenue multiplied by the prior quarter QoQ growth rate. Note 1: In case prior QoQ growth rate is negative, partner will receive incentive award for billed revenue that is above prior quarter billed revenue. Note 2: In case prior quarter billed revenue is from 0 USD to 1000 USD, partner will receive incentive award for current quarter billed revenue.	$\$53,9k - \$49k$ = \$4 900	$\$64,68k - (\$53,9k * 110\%)$ = \$5 390	
Incentive award per quarter. Note: Maximum pay-out amount for Participant per eligible quarter is capped at: 20 000 USD.	$30\% * \$4,9k$ = \$1 470	$30\% * \$5,39k$ = \$1 617	
Total incentive Note: Minimum pay-out amount for Participant is set at: 200 USD.	\$3 087		

Note: This Program is running on top of other incentive programs that partner is eligible for.

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Note: The table below shows incentive calculation methodology for example purposes only. All details, including eligibility criteria, are described in Terms & Conditions above.

Example 3

		Program effective dates	
Q1 revenue	Q2 revenue	Q3 revenue	Q4 revenue
\$80 000	\$88 000	\$92 400	\$106 260
QoQ growth rate Note: In case prior quarter billed revenue is from 0 USD to 1000 USD, then current QoQ growth rate will be 0%.	$(\$88k - \$80k) / \$80k$ = 10%	$(\$92,4k - \$88k) / \$88k$ = 5%	$(\$106,26k - \$92,4k) / \$92,4k$ = 15%
Is current quarter QoQ growth rate positive and higher than prior quarter QoQ growth rate? Note: This rule will <u>not</u> apply in case prior quarter billed revenue is from 0 USD to 1000 USD.	NO	YES	
Revenue eligible for incentive = current quarter revenue that is greater than the partner's prior quarter revenue multiplied by the prior quarter QoQ growth rate. Note 1: In case prior QoQ growth rate is negative, partner will receive incentive award for billed revenue that is above prior quarter billed revenue. Note 2: In case prior quarter billed revenue is from 0 USD to 1000 USD, partner will receive incentive award for current quarter billed revenue.	\$0	$\$106,26k - (\$92,4 * 105\%)$ = \$9 240	
Incentive award per quarter. Note: Maximum pay-out amount for Participant per eligible quarter is capped at: 20 000 USD.	\$0	$30\% * \$9,24k$ = \$2 772	
Total incentive Note: Minimum pay-out amount for Participant is set at: 200 USD.	\$2 772		

Note: This Program is running on top of other incentive programs that partner is eligible for.

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Note: The table below shows incentive calculation methodology for example purposes only. All details, including eligibility criteria, are described in Terms & Conditions above.

Example 4

		Program effective dates	
Q1 revenue	Q2 revenue	Q3 revenue	Q4 revenue
\$100 000	\$95 000	\$93 100	\$107 065
QoQ growth rate Note: In case prior quarter billed revenue is from 0 USD to 1000 USD, then current QoQ growth rate will be 0%.	$\frac{(\$95k - \$100k)}{\$100k}$ = -5%	$\frac{(\$93,1k - \$95k)}{\$95k}$ = -2%	$\frac{(\$107,065k - \$93,1k)}{\$93,1k}$ = 15%
Is current quarter QoQ growth rate positive and higher than prior quarter QoQ growth rate? Note: This rule will <u>not</u> apply in case prior quarter billed revenue is from 0 USD to 1000 USD.	NO	YES	
Revenue eligible for incentive = current quarter revenue that is greater than the partner's prior quarter revenue multiplied by the prior quarter QoQ growth rate. Note 1: In case prior QoQ growth rate is negative, partner will receive incentive award for billed revenue that is above prior quarter billed revenue. Note 2: In case prior quarter billed revenue is from 0 USD to 1000 USD, partner will receive incentive award for current quarter billed revenue.	\$0	$\$107,065k - \$93,1k$ = \$13 965	
Incentive award per quarter. Note: Maximum pay-out amount for Participant per eligible quarter is capped at: 20 000 USD.	\$0	$30\% * \$13 965$ = \$4 189,5	
Total incentive Note: Minimum pay-out amount for Participant is set at: 200 USD.	\$4 189,5		

Note: This Program is running on top of other incentive programs that partner is eligible for.