

Alliance Partner Program Guide

Terms & Guidelines

This Alliance Partner Program Guide describes the criteria and obligations and benefits of participating in NetAlly's Channel Partner Program. This Alliance Partner Program Guide is a supplement and should be read in conjunction with the Channel Agreement as well as the following documents, as applicable:

- Deal Registration Terms & Guidelines
 - Deal Registrations – Americas Terms & Conditions
 - Deal Registration – EMEA Terms & Conditions
 - Deal Registration – APAC Terms & Conditions;
- Purchase Order Requirements;
- Demonstration Unit Discount Program Guidelines;
- Growth Rebate Terms & Guidelines; and
- Ordering Guidelines

which may be viewed at <https://www.netally.com/b2b-legal/>. All capitalized terms not defined in this Alliance Partner Program Guide will have the meanings ascribed to them in the Channel Agreement. If the terms in this Alliance Partner Program Guide and the Channel Agreement conflict, this Alliance Partner Program Guide shall govern. NetAlly reserves the right in its sole discretion to modify or discontinue this Alliance Partner Program Guide. The current version of this Alliance Partner Program Guide may be found at NetAlly's Partner Portal accessible to approved Partners through the Partner Portal at <https://partners.netally.com/asp/Login>.

1. DEFINITIONS

- **“Inventory Report”** (also referred to as an INV Report) means a monthly report to be provided by the Partner per the requirements of certain designations denoted in Table 1, below. The INV report should identify stock on hand, including but not limited to the quantity, product SKU and description. **“Demonstration Equipment”** (otherwise referred to as Demo Equipment) means NetAlly Products that are licensed or purchased by Channel Partner and used solely to promote the sale of NetAlly Products and NetAlly Services in accordance with NetAlly's then-current Demonstration Unit Discount Program Guidelines available on the Partner Portal.
- **“Point-of-Sale Report”** (otherwise referred to as a PoS Report) means a monthly report to be provided by the Channel Partner per the requirements of certain designations denoted in Table 1. The PoS Report should identify certain transaction specific information, including but not limited to the sold product SKU and description, currency type, sold quantity and reported price, End-User name and sold to: city, State/Province, country, and Postal code.
- **“NetAlly Representative(s)”** means the authorized individual(s) assigned by NetAlly to manage the commercial relationship with the Partner.

2. PARTNER LEVEL DESIGNATIONS

The NetAlly Alliance Partner Program offers the following designation levels. Further qualifying criteria for these designation levels are located in the Partner Criteria and Benefits table (Table 1) chart, below.

- **Distributors (Tier-1)**: NetAlly has two (2) types of Distributors. In addition to the qualifying criteria shown in the Partner Criteria and Benefits table (Table 1), each will have the following capability and responsibility:

I. Master Distributor

- Buys direct from NetAlly;
- Implements NetAlly sales through a network of Tier-2 Resellers and never directly to End-Users;
- Manages all logistics, including importation and securing export control licenses where legally required;
- Stocks appropriate NetAlly Products and provides monthly INV Reports and PoS Reports per the requirements in Section 4; and
- Agrees to the development of an annual Business Plan and participation in quarterly reviews with NetAlly Representative(s).

II. Value-Added Distributor (“VAD”)

- Buys direct from NetAlly;
- Implements NetAlly sales through a network of Tier-2 Resellers and never directly to End-Users;
- Manages all logistics, including importation and securing export control licenses where legally required;
- Stocks appropriate NetAlly Products and provide monthly INV Reports and PoS Reports per the requirements in Section 4;
- Agrees to the development of an annual Business Plan and participation in quarterly reviews with NetAlly Representative(s);

- Possesses business and technical acumen, as well as delivery systems, to enable and support VAD's Tier-2 reseller network to resell NetAlly Products and NetAlly Services, as designated in writing by NetAlly, in large volumes; and
- Possesses the technical skills necessary to design network solutions, including architecture, protocols, practices, and management platforms.

- **Hybrid Distributor/Reseller (operates as both "Tier-1 & Tier-2"):** Partners are approved to buy direct and sell to End Users. In addition to the qualifying criteria shown in the Partner Criteria and Benefits table (Table 1), this designation will have the following capability and responsibility.

I. Enhanced Reseller

- Buys direct from NetAlly;
- Implements NetAlly sales through a network of Tier-2 Channel Partners and directly to End-Users;
- Has national or regional market reach and manages all logistics, including importation and securing export control licenses where legally required;
- Has a demonstrable market access to deliver business solutions *via* volume sales of NetAlly Products and Maintenance Services directly to End-Users;
- Has commercial and technical skills and employs and maintains resources necessary to resell NetAlly Products and Maintenance Services in volume to End-Users, including maintaining appropriate Demo Units;
- Stocks appropriate NetAlly Products and provides monthly INV Reports and PoS Reports per the report requirements in Section 4 below;
- Develops an annual Business Plan;
- Participates in quarterly reviews with NetAlly Representatives of performance against such Business Plans; and
- Provides monthly or as requested registered deal forecast reviews with NetAlly Representatives.

- **Resellers ("Tier-2"):** NetAlly works with resellers either directly or through a distribution partner, depending on the market. In addition to the qualifying criteria shown in the Partner Criteria and Benefits table (Table 1), each designation will have the following capability and responsibility:

I. Preferred Reseller

- Fulfills Orders through an authorized NetAlly Distributor pursuant to this Alliance Partner Program Guide;
- Has demonstrable market access to deliver business solutions *via* volume sales directly to End-Users;
- Must have a signed agreement in place with the Distributor through which it is placing Orders;
- Must have a signed agreement in place with NetAlly to access the Partner Portal for deal registration, marketing content, training/certification, *etc.*;
- Develops an annual Business Plan;
- Participates in quarterly reviews with NetAlly Representatives of performance against such Business Plans;
- Provides monthly or as requested registered deal forecast reviews with NetAlly Representatives; and

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II. Registered Reseller

- Fulfills Orders through an authorized NetAlly Distributor pursuant to this Alliance Partner Program Guide;
- Has demonstrable market access to deliver business solutions sales directly to End-Users; and
- Is approved for Partner Portal access.

3. BUSINESS PLANS

For those Partner Level Designations requiring a Business Plan, the channel partner will work with NetAlly Sales to develop an individualized Business Plan with the goal of helping the Channel Partner achieve the sales growth targets applicable to Channel Partner's Territory and the NetAlly Products and NetAlly Services being resold or distributed by the Channel Partner. Such Business Plans shall be reviewed and updated as needed, but at least semi-annually. The most recently executed Business Plan shall supersede those that were executed earlier. Each party will bear its own costs and expenses in performing the activities described in the Business Plan and this Alliance Partner Program Guide unless otherwise approved in writing by NetAlly.

4. INVENTORY (INV) & POINT-OF-SALE (POS) REPORTING

For those Partner Level Designations identified in the Partner Criteria and Benefits chart (Table 1) as required to provide prior month INV Reports and PoS Reports, emailed to ChannelData@netally.com by the regional deadline (USA: 5th calendar day of each month; International: 10th calendar day of each month). The PoS Report should identify certain transaction specific information, including but not limited to the sold product SKU and description, currency type, sold quantity and reported price, End-User name and sold to: city, State/Province, country, and Postal code. The INV Report should identify stock on hand at the

end of the prior month, including but not limited to the quantity, product SKU and description. The preferred format and additional submission instructions are available on the Partner Portal <https://partners.netally.com/asp/Login>.

5. ADDITIONAL PROGRAMS

The following programs may be made available to eligible Channel Partners and may be governed by separate policy documentation or signed agreement:

- (a) **Sales Utilizing Government Reseller Pricing:** Subject to NetAlly's Federal Reseller Pricing Program, which may be changed or discontinued at any time by NetAlly without notice, Channel Partners wishing to resell Products and Services to U.S. federal, state and local government entities, agencies or departments that are authorized to purchase under GSA and /or NASA SEWP, must be pre-approved in writing by NetAlly.
- (b) **Deal Registration:** Subject to this Alliance Partner Program Guide and NetAlly's then-current (regionally specific) Deal Registration Terms & Guidelines, available on the Partner Portal to select designations, NetAlly provides the ability for Channel Partner to register new business opportunities that qualify under the set criteria.
- (c) **Demonstration Unit Discount Program:** The NetAlly Alliance Partner Program requires Channel Partners at certain designations to invest in Demonstration Equipment as detailed in this Alliance Partner Program Guide and NetAlly's Demonstration Unit Discount Program Guidelines.
- (d) **Market Event Funding ("MEF"):** NetAlly may provide Channel Partners with MEF in support of Channel Partner-sponsored marketing events solely for generating demand for NetAlly Products and Services ("Qualifying Event"). Channel Partner's request for MEF will be in accordance with NetAlly's then-current Marketing Event Funding Policy ("MEF Policy"), available on the Partner Portal.
- (e) **Discounts:** NetAlly may provide Channel Partners with a discount based on partner level designation and communicated by the NetAlly Sales Team.
- (f) **Inventory Stock Rotation Program:** NetAlly may provide Partners at designations required to hold stock, the ability to participate in the Stock Rotation Program. The purpose of the Stock Rotation Program is to enable Partners approved to hold stock the ability to return stocked NetAlly Products that have been held in inventory for less than one (1) year at the date of return request to NetAlly, and exchange them for new Products of equal or lesser value.

To qualify for Stock Rotation, designated Partners must maintain appropriate levels of inventory, provide timely INV Reports, PoS Reports and adhere to all Partner obligations applicable to the Partner's Designation Level.

- Eligible Partners are allowed a maximum of four (4) stock rotations per calendar year to be submitted for approval in the months of January, April, July and October;
- Stock rotation requests must be submitted in the first month of the quarter;
- All Stock rotation requests must be accompanied by an off-setting product Purchase Order of equal or greater value to the amount paid for the NetAlly Product being returned;
- NetAlly Product returns must be approved by NetAlly in writing and Products must be returned in the original, un-damaged, un-opened packaging as originally shipped by NetAlly;
- Stock rotation shipments must be accompanied by a valid NetAlly RMA number;
- NetAlly Product returns must arrive at the NetAlly designated return address, in the same quarter the RMA number is issued and will be cancelled if the return shipment is not received by the end of the then-current quarter;
- Eligible Partners shall bear all costs associated with shipping the NetAlly Products back to NetAlly and hereby agree and acknowledge that in some circumstances a re-stocking fee may apply;
- Credit for returned NetAlly Products will be issued on physical receipt and verification of NetAlly Products that meets the above criteria;
- Only NetAlly Products that can be held as stock, as determined by NetAlly, are subject to the Stock Rotation Program;
- NetAlly will not accept the return of used or obsolete NetAlly Products; and
- NetAlly may at its discretion limit the quantity of NetAlly Products that may be returned;

6. ORDER INSTRUCTIONS

Order instructions are set forth in the Ordering Guidelines, a copy of which may be viewed by approved partners on the Partner Portal at <https://partners.netally.com/asp/Login>.

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