

Growth Rebate Program

Terms & Guidelines

1. GENERAL OVERVIEW

The Growth Rebate Program (“GRP”) is an annual invitation-only program with quarterly target sales and other achievements, offered only to key NetAlly Channel Partners which have entered into and are in good-standing under a Channel Agreement. All terms not defined in this GRP will have the meanings ascribed to them in the Channel Agreement and or the Alliance Partner Program Guide. NetAlly reserves the right in its sole discretion to modify or discontinue the GRP. The then-current version of the Alliance Partner Program Guide may be found at <https://www.netally.com/b2b-legal/>.

2. PROGRAM PERIOD

Channel Partner’s participation in the GRP requires a Business Plan, as further detailed in the Alliance Partner Program Guide, which is to be entered into between NetAlly and the Channel Partner on a year-to-year basis and sets forth the business rules and target sales to be achieved on an annual and/or quarterly basis. Unless specified otherwise, the GRP Business Plan will begin on the first day of the next fiscal quarter (year ending December) in which Channel Partner and NetAlly mutually agree upon and execute such Business Plan.

3. PROGRAM ELIGIBILITY

For the purposes of the GRP, a Channel Partner is eligible to be invited only if the Channel Partner has been under a NetAlly Channel Agreement, in good standing, at least thirty (30) calendar days prior to the start of Channel Partner’s participation in the GRP. Further, in order to remain eligible to receive GRP rebates, Channel Partner must (i) remain at such Channel Partner’s designation level (or higher) until the end of the annual GRP; and (ii) meet the target sales and other milestones as set forth in the GRP Business Plan.

4. TARGET SALES

Target Sales, as set forth in the GRP Business Plan, shall be calculated upon total 1st year sales of NetAlly Product and NetAlly Service and renewals. Channel Partner’s stocking orders shall not attribute toward Channel Partner’s achieving the Target Sales.

5. REBATE

Under the GPR, Channel Partner shall be eligible to receive agreed upon rebates, as set forth in the GRP Business Plan (“Rebates”). Such Rebates are based upon Channel Partner achieving certain quantity of sales (“Target Sales”), which will be tracked *via* Channel Partner’s monthly point-of-sales reports (“PoS Reports”). Failure by Channel Partner to provide monthly PoS Reports may result in forfeiture of all quarterly Rebates, as determined in NetAlly’s sole determination. Rebates will be paid based upon incremental portion of Channel Partner’s net sales of NetAlly Products, which exceeds the agreed upon applicable quarterly Target Sales. Rebates will be applied in the 2nd month following the end of the fiscal quarter in which such Rebate is assessed and is subject to NetAlly’s review and acceptance of Channel Partner’s PoS Reports. Rebates are due to be paid out quarterly in the form of a credit memo, which may be applied only to outstanding amounts due to NetAlly by Channel Partner. GPR Rebates and the method of reimbursement are based on Partner Designation Levels, as follows:

Qualifying Partner Designations	Master Distributor	Value Add Distributor	Enhanced Reseller	Preferred Reseller
Rebate Percentage <i>(paid on PoS sales that exceed Target)</i>	10%	10%	10%	10%
Form of Rebate Credit	Credit Memo	Credit Memo	Credit Memo	Wire Transfer

{End}
