GL002594 - FY23 Marketplace Transact and Grow Incentive Campaign Terms and Conditions

Campaign Summary

The FY23 Marketplace Transact and Grow Incentive Campaign ("Campaign Program") starting 1 July 2022 and ending 30 June 2023 is a campaign to reward publishers, as defined below ("Participants") who publish transactable offers and high-quality transactable Teams apps ("marketplace offers" or "offers") on Microsoft commercial marketplace (including <u>Azure Marketplace</u> and <u>AppSource</u> storefronts) and accelerate sales and usage of their transactable offers and Teams apps.

For more Campaign Program materials, please visit the <u>Marketplace Transact and Grow Incentive Campaign asset collection.</u>

Campaign Program Benefits

Participants can receive cash rewards for publishing transactable offers and high quality transactable Teams apps, as defined below, on Microsoft commercial marketplace and/or accelerate sales and usage of their transactable offers and Teams apps.

If Participant has not enrolled in the Campaigns Incentive Program in Partner Center, Participant can expect to receive an enrollment invitation email. If Participant has previously enrolled in a Campaigns Program in Partner Center, Participant's enrollment obligation is complete; there is no need to re-enroll for each Campaign Program. For more information on enrollment, visit the Incentives page on the <u>Partner Website</u>.

Campaign Program Terms & Conditions

This Campaign Program is governed by (a) the terms and conditions in the <u>Campaign and Custom Incentive Program Guide ("Program Guide")</u> and (b) the terms and conditions set forth in this email below (the "Additional Terms and Conditions"). In the event of any conflict or inconsistency between the terms of the Additional Terms and Conditions and the Program Guide, these Additional Terms and Conditions will control. Except as expressly set forth in the Additional Terms and Conditions, terms defined in the Program Guide will have the same meanings when used in the Additional Terms and Conditions.

By participating in the Campaign Program, submitting information to Microsoft in connection with the Campaign Program, or accepting any Incentive Payments from Microsoft as a result of the Campaign Program, Participant agrees to and accepts the terms and conditions in the Program Guide and the Additional Terms and Conditions.

Effective Date and End Date

This Campaign Program starts on 1 July 2022 and ends on 30 June 2023 ("Program Term").

Eligibility

To be eligible to earn and be paid Incentive Payments under this Campaign Program, Participant must satisfy all the eligibility criteria set forth in the Program Guide and the additional criteria included below:

- Participant must have an active Partner Location ID.
- Participant must be a publisher with at least one transactable offer that is live and in good standing on Microsoft commercial marketplace, or at least one Teams app published in the Microsoft Teams Store during the Program Term.

First time publishers with an active Partner Location ID are eligible to earn incentive on their first offer publication.

A "publisher" is a partner who has an approved Publisher Account with Microsoft.

Participant eligibility is considered at Partner Global Account level. Campaign invitation will be sent to one Partner Location ID per eligible Partner Global ID.

Eligible Products

Eligible offers are:

- All Microsoft commercial marketplace offers that are live, transactable, publicly available and in good standing on the Microsoft commercial marketplace
- All Teams apps published in Microsoft Teams Store

Refer to the "Incentive Payment" section below for more detail on eligibility criteria for each incentive payment tier.

Pricing Level: All

Licensing Programs: All

Purchase Type: All

Rev Sum Division: All

Billing Options: All

Sales Criteria

Participant is eligible to receive an Incentive Payment for:

- 1) Publishing a public transactable offer to Microsoft Azure Marketplace
- 2) Publishing a public transactable offer with Azure IP co-sell incentive status;
- 3) Publishing a high-quality transactable Teams app (as defined in the Incentive Payment section below) by linking a high-quality Teams app to a transactable offer on Microsoft AppSource;
- 4) Achieving a cumulative monthly billed sales total of USD \$25,000 during the Program Term for an eligible transactable offer on Microsoft Azure Marketplace and/or Microsoft AppSource;
- 5) Achieving a minimum of 5,000 in monthly active user count for an eligible Teams app during the Program Term.

Refer to the "Incentive Payment" section below for more detail on eligibility criteria for each incentive payment tier.

Incentive Payment

A transactable offer is one in which Microsoft facilitates 'for a software license on the publisher's behalf.' Transact offers are billed against an existing Microsoft subscription or credit card, allowing Microsoft to host cloud marketplace transactions on behalf of the publisher. Refer to the "Incentive Payment" section below for more detail on eligibility criteria for each incentive payment tier. For partners who are interested in learning more about listing and pricing options please visit: Introduction to listing options — Microsoft commercial marketplace | Microsoft Docs

A transactable Teams app is a Teams app published in the Teams Store and linked to a transactable offer on Microsoft AppSource. For partners who are interested in learning more about publishing Teams app in Teams Store, please visit: Overview - Publish your app to the Microsoft Teams store - Teams | Microsoft Docs

Participants may participate in the following programs to get help with publishing offers on Marketplace. Participation in the following programs is highly recommended but not required to earn incentive in the FY23 Marketplace Transact and Grow Incentive Campaign:

- ISV Success Program
- Microsoft 365 ISV Benefits Program
- Microsoft for Startups Founders Hub

The Incentive Payments are determined per eligible transactable marketplace offer and eligible Teams app as defined below.

Tier 1: Marketplace Publish incentive

Each Participant (determined at the Partner Global ID level) can earn up to a cap of USD \$40,000 from Tier 1.

1. Lever 1: Publish incentive.

Tier 1 Lever 1 incentive is available in the limited window of 1 July 2022 to 31 March 2023.

Only public offers that are published as transactable offers for the first time during the period of 1 July 2022 to 31 March 2023, or public offers that are published before the period of 1 July 2022 to 31 March 2023 and become transactable during the period of 1 July 2022 to 31 March 2023 are eligible for this Marketplace Publish incentive.

- Option 1 Azure Marketplace Publish incentive: USD \$10,000 is awarded when a public, transactable offer is published into Azure Marketplace during the period 1 July 2022 to 31 March 2023 or when an offer published before the Program Term becomes a public, transactable offer during the period 1 July 2022 to 31 March 2023. Each Participant (determined at the Partner Global ID level) can earn up to a cap of USD \$20,000 from Tier 1 Lever 1 Option 1.
- Option 2 Azure IP Co-sell Publish incentive: USD \$20,000 awarded when a public, transactable offer is published for the first time with Azure IP co-sell incentive status during the period 1 July 2022 to 31 March 2023 or when an offer published before the period 1 July 2022 to 31 March 2023 becomes a public transactable offer with Azure IP co-sell incentive status during the period 1 July 2022 to 31 March 2023.

If a marketplace offer becomes transactable and achieves Azure IP co-sellincentive status in the same quarterly earning period, the offer will earn Lever 1 Option 2 incentive and not Lever 1 Option 1 incentive. If a marketplace offer earns an incentive from Lever 1 Option 1 in a quarterly earning period and achieves IP co-sell incentive status in a later quarter earning period, where the Participant's total Tier 1 earning has not yet reached the USD \$40,000 cap, the offer will earn an additional USD \$10,000, making its total earning equal to Lever 1 Option 2.

For partners who are interested in learning more about Azure IP co-sell incentivized status, please visit: <u>Co-sell requirements – Partner Center | Microsoft Docs</u>

2. Lever 2: High quality publish incentive for Teams apps

USD \$10,000 is awarded when a Teams app becomes transactable by being published in the Teams Store and linked to a transactable offer on Microsoft AppSource for the first time, where the Teams app is considered high-quality. A high-quality Teams app is defined as:

- Having Azure Active Directory single sign-on (AAD SSO) enabled

- Leveraging two collaborative features of Teams. The eligible Teams collaborative features include tabs for chat/channel, personal tabs, bot using adaptive cards, messaging extension using adaptive cards, and meeting extension.

Each participant (determined at the Partner Global ID level) can earn up to a cap of USD \$20.000 from Tier 1 Lever 2.

Existing Teams apps published to the Team Store prior to the Program Term that (1) have not been yet linked to a transactable offer in Microsoft AppSource by the campaign start date, or (2) have not meet the high-quality criteria by the campaign start date can earn the Tier 1 Lever 2 incentive if they are linked to a transactable offer in Microsoft AppSource during the Program Term and meet the high-quality criteria for the first time during the Program Term.

In the case that two high quality Teams apps are linked to the same transactable offer in AppSource within the Program Term, Participant can earn \$20,000 from Tier 1 Lever 2 where the participant's total Tier 1 earning does not exceed Tier 1 USD \$40,000 cap.

An eligible marketplace offer can earn on both Lever 1 and Lever 2 of the Marketplace Publish incentive.

Tier 2: Grow incentive

3. Lever 3: Billed Sales incentive:

USD \$10,000 is awarded when a transactable offer achieves a cumulative billed sales total of USD \$25,000 during the Program Term on Microsoft Azure Marketplace and Microsoft AppSource. The cumulative billed sales total for an offer will be calculated as a sum of the billed sales amount for a public offer and all associated private offers. Only offers with cumulative billed sales total of less than USD \$25,000 during the period 1 July 2021 – 30 June 2022 are eligible for this incentive.

For transactable offers with a linked Teams app, the billed sales total is considered at the all-up offer level for incentive calculation purpose.

4. Lever 4: Usage incentive (Teams apps only)

USD \$10,000 is awarded when, within the Program Term, a Teams app reaches 5000 monthly active users for the first time in 12 months or for the first time since its publication, whichever timeframe is shorter. All Teams apps published to Teams store during the Program Term are eligible for this usage incentive, regardless of transactability status and publication date.

An eligible marketplace offer can earn on both Grow incentive Lever 3 and Grow incentive Lever 4. Offers published before the Program Term are also eligible for this Growth incentive. There is no limit on how many offers Participants can earn incentive on.

Examples of offer eligibility:

Offer Name	Date of offer becoming transactable	Storefront	Does this offer include a Teams app?	If offer includes a Teams app, is this app AAD SSO enabled and does it leverage two collaborative features of Teams?	Does this offer have IP Co-sell incentive status?	Eligible for Tier 1 Marketplace Publish incentive Lever 1 Option 1 Azure Marketplace Publish incentive?	Eligible for Tier 1 Marketplace Publish incentive Lever 1 Option 2 Azure IP Co- sell Publish incentive?	Eligible for Tier 1 Marketplace Publish incentive Lever 2 High quality Publish incentive for Teams apps?	Eligible for Tier 2 Grow incentive Lever 3 – Billed Sales incentive?	Eligible for Tier 2 Grow incentive Lever 4 – Usage incentive?
App 1	1 Jun 2022	Azure Marketplace	No	Not applicable	No	No	No	No	Yes	No
App 2	1 Jun 2022	Azure Marketplace	No	Not applicable	Yes	No	No	No	Yes	No
App 3	1 Jun 2022	AppSource	Yes	No	No	No	No	No	Yes	Yes
App 4	1 Jun 2022	AppSource	Yes	Yes	No	No	No	No	Yes	Yes
App 5	1 Aug 2022	Azure Marketplace	No	Not applicable	No	Yes	No	No	Yes	No
App 6	1 Aug 2022	Azure Marketplace	No	Not applicable	Yes	No	Yes	No	Yes	No
App 7	1 Aug 2022	Azure Marketplace	Yes	No	No	Yes	No	No	Yes	Yes
App 8	1 Aug 2022	AppSource	Yes	No	No	No	No	No	Yes	Yes
Арр 9	1 Aug 2022	Azure Marketplace	Yes	Yes	No	Yes	No	No	Yes	Yes
App 10	1 Aug 2022	AppSource	Yes	Yes	No	No	No	Yes	Yes	Yes
App 11	1 Aug 2022	Azure Marketplace	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
App 12	1 Aug 2022	Azure Marketplace	Yes	No	Yes	No	Yes	No	Yes	Yes
App 13	None	AppSource	Yes	Yes	No	No	No	No	No	Yes
App 14	None	AppSource	Yes	No	No	No	No	No	No	Yes

For an eligible transaction to be included in the Incentive Payment calculation, it must have been recorded in the Partner Center Payout reporting during the Program Term.

Participant must complete enrollment in the Campaigns Incentive Program in Partner Center by the enrollment deadlines specifed below in order to receive payment. Participants who do not enroll on time and do not enter complete banking and tax details in Partner Center will forfeit their Incentive Payment earnings under the Campaign Program. For more information on enrollment, visit the Incentives page on the <u>Partner Website</u>.

Campaign invitation timeline, earning period, enrollment deadline, and payment timeline are specified below:

1. Period 1:

- Date of first transactable marketplace offer publication or first Teams Store app publication: Prior to 1 July 2022
- Partner Center Invitation and Campaign Terms and Conditions will be sent in: July 2022
- Earning period: 1 July 2022 30 June 2023

2. Period 2:

- Date of first transactable marketplace offer publication or first Teams Store app publication: Prior to 1 October 2022
- Partner Center Invitation will be sent in: October 2022
- Campaign Terms and Conditions will be sent in: March 2023
- Earning period: 1 July 2022 30 June 2023

3. Period 3:

- Date of first transactable marketplace offer publication or first Teams Store app publication: 1 October 2022 – 31 December 2022
- Partner Center Invitation and Campaign Terms and Conditions will be sent in: March 2023
- Earning period: 1 July 2022 30 June 2023

4. Period 4:

- Date of first transactable marketplace offer publication or first Teams Store app publication: 1 January 2023 31 March 2023
- Partner Center Invitation and Campaign Terms and Conditions will be sent in: April 2023
- Earning period: 1 July 2022 30 June 2023

5. Period 5:

- Date of first transactable marketplace offer publication or first Teams Store app publication: 1 Apr 2023 – 30 June 2023
- Partner Center Invitation and Campaign Terms and Conditions will be sent in: July 2023
- Earning period: 1 July 2022 30 June 2023

For incentives earned in the period 1 July 2022 to 31 December 2022, Partner Center enrollment deadline is 31 May 2023.

For incentives earned in the period 1 January 2023 to 31 March 2023, Partner Center enrollment deadline is 30 June 2023.

For incentives earned in the period 1 April 2023 to 31 June 2023, Partner Center enrollment deadline is 31 July 2023.

Incentive payment will happen within 60 days from the end of the incentive earning quarter or the end of the Partner Center enrollment completion quarter, whichever is later.

Payment

Payment Method – Wire Transfer

Payment Frequency –Quarterly

Eligible Participants who earned Incentive Payments will be paid within 60 days of the conclusion of the relevant payment period.

For more information regarding payments refer to the <u>Campaign and Custom Incentive</u> <u>Program Guide</u>.

Thresholds

For Tier 1: Marketplace Publish Incentive, each Participant (determined at the Partner Global ID level) can earn up to a cap of USD \$40,000 for all levers; up to a cap of USD \$20,000 from Tier 1 Lever 1 Option 1 and up to a cap of USD \$20,000 from Tier 1 Lever 2.

For the Growth incentive, there is no limit on how many offers partners can earn incentive on.

Definitions

When used herein, and in addition to terms defined elsewhere in the Additional Terms and Conditions, the following terms have the following meanings:

"Affiliate" means any legal entity that controls, is controlled by, or that is under common control with Participant or Microsoft. For purposes of this definition, "control" means ownership of more than 50% of the voting securities or other ownership interest in a legal entity or the power to direct the management and policies of a legal entity.

"Customer" means an end user who seeks or acquires a right to use or redistribute Participants' offer via the Microsoft's commercial marketplace, Partner Center, indirect channel or directly from the Participants.

"High-quality Teams app" means a Teams app that:

- Has Azure Active Directory single sign-on (AAD SSO) enabled
- Leverages two collaborative features of Teams. The eligible Teams collaborative features include tabs for chat/channel, personal tabs, bot using adaptive cards, messaging extension using adaptive cards, and meeting extension.

"Publisher" means a partner who has an approved Publisher Account with Microsoft.

Resources

Marketplace Transact and Grow Incentive Campaign asset collection

Commercial marketplace certification policies

<u>Introduction to listing options – Microsoft commercial marketplace</u>

Microsoft commercial marketplace transact capabilities

Learn about transactable Teams Store App

Learn about Azure Active Directory single sign-on

Overview - Publish your app to the Microsoft Teams store - Teams | Microsoft Docs

Co-sell with Microsoft sales teams and partners overview - Partner Center | Microsoft Learn

<u>Co-sell requirements - Partner Center | Microsoft Docs</u>

<u>View your incentive and program details - Partner Center | Microsoft Learn</u>

<u>Incentives enrollment - Partner Center | Microsoft Learn</u>

<u>Transaction history - Partner Center | Microsoft Learn</u>

ISV Success Program

Microsoft 365 ISV Benefits Program

Microsoft for Startups Founders Hub