

SECTION:	Reseller Sales		
POLICY #:	RS 24	PAGE:	1 of 6
SUBJECT:	SaaS Revenue Sharing		
DATE:	10/11	SUPERSEDES:	2/11

TITLE: RS24, SaaS Revenue Sharing

POLICY: To establish a policy where Authorized StoreNext Dealers share in the revenue for SaaS products from Retailix and StoreNext.

SCOPE: This policy applies to all StorePoint Dealers, but is limited exclusively to SaaS subscription products such as Connected Payments and Connected Services. This policy does not apply with any products or solutions other than such subscription solutions, regardless of the reseller involved.

PROCEDURES:

1. Subscription Shares for Connected Services Products
 - a. Dealers are categorized as being either a "Selling Dealer" or a "Referral Dealer" for purposes of Connected Services.
 - i. Selling Dealers must be trained and fully capable of managing the sales process for Connected Services. They understand the features, functions and benefits of the solutions they are selling.
 - 1) Selling Dealers receive 100% of the first ten weeks of the subscription fees received (less any Wholesaler share or third-party (e.g. TRAX) royalty payments).
 - 2) After the first ten weeks, the baseline Selling Dealer share will be 30% under normal circumstances. This share may change according to circumstances and changes in policy.
 - 3) Dealer and other channel shares do not apply to setup fees and other professional services.
 - ii. Referral Dealers are sales-trained to be able to open the door for StoreNext or a Wholesaler to sell Connected Services. Referral Dealers will register accounts with StoreNext using the Prospect Registration Form. For an approved account referral that leads to a sale of Connected Services, the Referral Dealer is paid a Sales Participation Fee ("SPF") for these efforts
 - 1) Referral Dealers receive 100% of the first ten (10) weeks of the subscription fees received (less any Wholesaler share or third-party (e.g. TRAX) royalty payments).



- 2) There are no further payments or revenue shares for Referral Dealers after this initial ten-week period payment.
 - iii. Please refer to the current Connected Services Program Bulletin (MB 1185) for details regarding how current wholesaler programs and wholesaler shares affect Selling and Referral Dealer margins.
 - b. Conversion: Selling Dealers are measured on the effectiveness of selling Connected Services in their territory, and may be converted to Referral Dealers at StoreNext's sole option.
 - i. Selling Dealers that convert to Referral Dealers will continue to receive the Selling Dealer percentage shares then in place for subscriptions established prior to their change to Referral Dealer status.
 - c. Dealer subscription shares are based upon revenue actually received, not upon end-user invoices or calculated fees due.
 - d. Dealer subscription shares will normally be credited on a quarterly basis.
 - e. Dealer subscription shares for Connected Services may be changed with notice.
2. Subscription Shares for Connected Payments
- a. All StoreNext dealers at this writing are presumed to be "Selling Dealers" of Connected Payments, and are fully capable of support and sales.
 - b. Dealers will normally receive a share of the subscription revenue for the stores under that dealer's care.
 - i. The base percentage of the dealer share is 30% of subscription fees received for Connected Payments. This share assumes full participation of that dealer in the Connected Payments program and of that dealer's sales, support and services responsibilities therein.
 - 1) The share percentage may change over time at StoreNext's sole discretion.
 - ii. Dealer and other channel shares do not apply to setup fees and other professional services.
 - iii. Current and future wholesaler programs may change the baseline dealer share. This base percentage is not automatic and will be affected by:



- 1) Dealer program participation – dealers not actively or consistently participating in the Connected Payments program, the sale/customer/subscription in question or fulfilling the dealer’s support and service roles will receive limited shares.
 - 2) Wholesaler sales and billing – in cases where a wholesaler promotes Connected Payments to its member stores and performs a billing service, the transaction share may be reduced by an appropriate percentage compensating the wholesaler for these services.
 - 3) Full wholesaler programs – where the wholesaler controls member store participation in that wholesaler’s payments program and carries out some or all of the sales or support functions normally required of the dealer, part of the subscription share will normally be earned by the wholesaler.
 - a) Note: particularly for example in cases where a wholesaler has a payments program in place, and that wholesaler converts existing stores to Connected Payments, the dealer share may be limited.
 - 4) Refer to the current Connected Payments Program Bulletin (MB 1221) for details regarding how wholesaler programs and wholesaler shares affect Dealer margins. Wholesaler program information may also be provided via separate wholesaler program documents.
- c. Dealer subscription shares are based upon revenue actually received, not upon end-user invoices or calculated fees due.
 - d. Dealer subscription shares will normally be credited on a quarterly basis.
 - e. Dealer subscription shares for Connected Services may be changed with notice.
3. Transfers of SaaS Customers
 - a. Incumbent and Replacement Dealers
 - i. The “Incumbent Dealer,” that is, the dealer of record in the territory and/or the dealer that sold the original SaaS subscription, is assumed under the normal course of business to be the dealer that will continue to support the SaaS products and services for that Customer ongoing.



- ii. From time to time a “Replacement Dealer” may be called upon to take over support and service of a merchant and/or store(s).
 - 1) Replacement Dealer situations may come about due to dealer territory changes, dealer status changes, dealer-to-dealer agreements or customer requests or decisions.
 - 2) If available and applicable, please see the StoreNext Policy regarding Customer Transfers for details about this topic.
 - 3) A case in which a dealer purchases another dealer, in its entirety, including all territories, obligations and operations, is not considered a “transfer” of the affected customers from an Incumbent Dealer to a Replacement Dealer for the purposes of this Policy.
 - a) In cases of such outright purchases, no changes in status with respect to SaaS Revenue Sharing will be considered to have taken place regarding the applicable revenues, so long as the purchasing dealer enjoys the same SaaS status as the purchased dealer regarding such revenues.
 - b) If the purchasing dealer’s status is different than the purchased dealer with respect to some or all of the purchased dealer’s SaaS revenues (for example, one dealer is a Selling Dealer as defined above while the other is a Referral Dealer), then StoreNext will confirm the going-forward SaaS Revenue Shares for any specific revenue streams on a case-by-case basis. Dealers cannot assume any specific outcome in such cases, and the final decision will be made, and confirmed in writing, by StoreNext.
- b. Transfers: when a customer or store is transferred from the Incumbent Dealer to a Replacement Dealer with respect to a SaaS product, the Replacement dealer becomes responsible for all customer support and service of the SaaS products in the store.
 - i. Note: service and support requirements apply to Connected Payments installations and Connected Services situations where the Incumbent Dealer is a “Selling Dealer.”
 - ii. Where the Incumbent Dealer was a Referral Dealer for Connected Services, this section regarding Customer Transfers does not apply.



c. Post-Transfer Shares: as of the transfer to the Replacement Dealer, StoreNext will equally divide the applicable dealer share between the Incumbent and Replacement Dealers for a time period dependent upon the product and dealer circumstances.

i. Connected Payments Post-Transfer Shares

- 1) The Incumbent Dealer will continue to receive half of the current dealer share (the "Selling Share") for a period dependent upon that dealer's status with StoreNext:
 - a) If the Incumbent dealer is still a StoreNext selling dealer for POS, the dealer shall continue to receive the Selling Share for three (3) years from the start of the initial subscription or one (1) one year from the date of transfer, whichever comes LAST. This ensures that the selling dealer will achieve at least three (3) years of the appropriate subscription share from that dealer's selling efforts.
 - b) If the Incumbent dealer is no longer a StoreNext selling dealer for POS – that is, the dealer has become a support-only dealer or is no longer a StoreNext dealer of any kind – the dealer shall continue to receive the Selling Share for three (3) years from the start of the initial subscription or one (1) one year from the date of transfer, whichever comes FIRST.
- 2) Since Connected Payments assumes ongoing store-level support, the Replacement Dealer shall receive half of the current dealer share (the "Support Share") starting on the transfer date and ongoing so long as that dealer is the supporting dealer. The "Selling Share" does not transfer from the Incumbent Dealer to the Replacement Dealer.

ii. Connected Services Post-Transfer Shares

- 1) The Incumbent Dealer will continue to receive half of the current dealer share (the "Selling Share") for a period dependent upon that dealer's status with StoreNext:
 - a) If the Incumbent dealer is still a StoreNext selling dealer for POS, the dealer shall continue to receive the Selling Share for three (3) years from the start of the initial subscription or one (1) one year from the date of transfer, whichever comes LAST. This ensures



SECTION:	Reseller Sales		
POLICY #:	RS 24	PAGE:	6 of 6
SUBJECT:	SaaS Revenue Sharing		
DATE:	10/11	SUPERSEDES:	2/11

that the selling dealer will achieve at least three (3) years of the appropriate subscription share from that dealer's selling efforts.

- b) If the Incumbent dealer is no longer a StoreNext selling dealer for POS – that is, the dealer has become a support-only dealer or is no longer a StoreNext dealer of any kind – the dealer shall continue to receive the Selling Share for three (3) years from the start of the initial subscription or one (1) one year from the date of transfer, whichever comes FIRST.
- 2) Since the installation of any transferred store is complete and Connected Services support is provided centrally by StoreNext, there is no ongoing support share provided to the Replacement Dealer. The “Selling Share” does not transfer from the Incumbent Dealer to the Replacement Dealer.
- iii. The Incumbent and Replacement Dealers are free to make private inter-dealer agreements regarding disposition of the shares to which they are each entitled under this policy.
 - 1) Negotiating and executing any such inter-dealer agreements is solely the responsibility of the dealers involved. StoreNext will take no responsibility for any such alternate distribution arrangements and will not review or enforce them. StoreNext will not modify the disposition of the standard shares paid to Incumbent and Replacement Dealers under this Policy.
- d. Application of this Policy
 - i. Any SaaS Customer Transfers executed prior to the initial release of this Policy RS-24 will be governed by the written decisions or agreements regarding those specific transfer incidents, and made at the time of transfer between the Incumbent and Replacement dealerships and/or StoreNext.
 - ii. In cases where no such written agreements were made regarding a specific transfer prior to the initial release of this Policy, then this Policy will apply to and govern such transfers.
 - iii. Transfers made after the initial release of this Policy shall be governed by the current version of this Policy.



SECTION:	Reseller Sales		
POLICY #:	RS 24	PAGE:	7 of 6
SUBJECT:	SaaS Revenue Sharing		
DATE:	10/11	SUPERSEDES:	2/11

- iv. StoreNext accepts no obligation to pay or credit SaaS dealer shares to any dealer with past due accounts with StoreNext.

