

## Marketing Partner Program

Partners play a very large part in our growth strategy. In this era of the global marketplace, and strength in being nimble and agile, we want to grow through a global ecosystem of marketing partners consisting of self-motivated individuals and organizations. We “embed” our partners into our organization, support them through the sales lifecycle, and protect their interest with clients under a fair and equitable non-competition agreement.

### Goals

Our partner program addresses the following goals:

- ❖ To expand our marketing reach through partners.
- ❖ To create a mutually beneficial partnering relationship that is sustainable over the long-term.
- ❖ To achieve a far improved marketing scalability without adding to our fixed cost
- ❖ To create a common platform for engaging marketing partners of any kind: large organization, small organization or individual contract marketing personnel.

### General Qualification of Marketing Partners

We exercise caution in selecting our partners because they become a part of our ecosystem and impact our culture. So not every individual and every company is necessarily suitable for partnering with us. Below are some of the characteristics we seek in our partners.

#### Trust

- ❖ Our partner must be trustworthy.
- ❖ If we do not fully trust a company or individual to a fairly high degree based on what we know about them, then we would rather not enter into a potentially problematic relationship.

#### Competence

- ❖ We shall deal only with organizations and individuals who have a good track record in expanding business.
- ❖ The organizations or persons should have prior experience in or affinity for solution sales.

#### Paperwork

- ❖ The partner must be willing to sign both our NDA and Non-compete agreements.
- ❖ They must be willing to sign our Partner Code of Conduct.

#### Willingness to Train

- ❖ The partner must be willing to be trained.
- ❖ We will not allow anyone to represent us until we feel they are adequately trained to represent us well.

## Levels of Marketing Partnership

We provide the following categories of marketing partnership:

1. Referrer
2. Reseller
3. Private-label Reseller
4. Co-seller
5. Alliance subsidiary

**This also represents a growth path for our partners. For instance, one could start as a Referrer; then become a co-seller; and finally an alliance subsidiary partner where one would have equity in the company.**

## Terms of Partnership

General comments on the compensation: (a) We offer our partners a straight share of the revenue. With that we take away the uncertainty of profitability and the hassle of profit computation. (b) A 15% share of the revenue generally represents 50% of the profits.

### REFERRER

A referrer is usually an individual. But a company can also be a referrer.

#### Common Terms for All Categories of Referrer

- ❖ They refer clients to us; assist us client acquisition in various ways; and collect a commission from us commensurate with the service rendered by them.
- ❖ They may or may not be involved in the entire sales cycle. Typically, they will be in the loop and in the know but not actively participating in meetings.
- ❖ They must represent ADA.
- ❖ ADA will sign the contract directly with the client.
- ❖ No expenses will be paid to them.
- ❖ Non-compete: Account-based; 2-years.
- ❖ Client belongs to: ADA.

#### Levels of Service & Corresponding Compensation

##### Basic Services: 5%

- ❖ Plain referral
- ❖ No practical involvement in presentation and sales. Mere presence in meetings and presentations do not signify “practical involvement”.

##### Advanced Services: 10%

In order to earn an additional percentage of the revenue, the following additional services **MUST** be delivered.

- ❖ **Must be able to deliver Level-1 Presentation.** This is critical in order to earn the higher percentage of the proceeds, because this SAVES the time of ADA in-house sales engineers. (ADA sales engineers can do level-1 presentations during the first 60 days or 5 client opportunities – whichever is later.)
- ❖ **Must be able to** qualify leads, and **deliver a warm prospect who is already half sold on our solution.** In other words, initial pre-sales should already be completed before ADA sales engineers get involved.

## Full Service: 12.5%

- ❖ All of the above, plus the following.
- ❖ **Price negotiation.** (ADA will set minimum acceptable price per project.) This is critical in order to earn the higher percentage. If ADA has to be involved in price negotiation, then it is not “full service”.
- ❖ **Contract negotiation.** ADA reserves the right to review and approve terms.

## RESELLER

A reseller is typically a company.

### Common Terms for All Categories of Reseller

- ❖ They sell under their own company name.
- ❖ They show ADA as a "partner" or "affiliate".
- ❖ Must carry required insurances.
- ❖ Pricing: One of two ways:
  - They set their own pricing and add their margin to our margin.
  - We may determine the price with the resellers margin built in.
- ❖ Contract signing: One of two ways
  - We sign a 3-party agreement with their clients when business is awarded to us.
  - We sign two separate agreements: one with the end-client and one with the reseller.
- ❖ Collection: One of two ways
  - They collect payments from the end-client and pay us.
  - We collect payments from the end-client and pay them.
- ❖ No expenses will be paid to them.
- ❖ Non-compete: Account-based; 2-years.
- ❖ Client belongs to: Re-seller.

### Levels of Service & Corresponding Compensation

#### Basic Reseller Services: 10%

- ❖ Qualify the lead.
- ❖ Identify the opportunity.
- ❖ Price negotiation. ADA will set minimum acceptable price per project.
- ❖ Contract negotiation. ADA reserves the right to review and approve terms.

#### Advanced Reseller Services: 15%

In order to earn an additional percentage of the revenue, the following additional services MUST be delivered.

- ❖ **Must be able to deliver Level-1 Presentation.** This is critical in order to earn the higher percentage of the proceeds, because this SAVES the time of ADA in-house sales engineers. (ADA sales engineers can do level-1 presentations during the first 60 days or 5 client opportunities – whichever is later.)
- ❖ **Must be able to** qualify leads, and **deliver a warm prospect who is already half sold on our solution.** In other words, initial pre-sales should already be completed before ADA sales engineers get involved.

## Guaranteed Reseller Services: 20%

- ❖ All "advanced" services, plus the following.
- ❖ PLUS: Performance guarantee of at least \$3 million in sales per year.

## PRIVATE LABEL RESELLER

A private label reseller is a company.

### Terms

- ❖ They sell under their own company name.
- ❖ They can call the products or solutions by any name they choose.
- ❖ ADA will deliver and service under their name.
- ❖ They must carry required insurances.
- ❖ Pricing: We determine the price with the reseller's margin built in.
- ❖ Contract signing: All contracts with clients are signed by reseller.
- ❖ Collection: Reseller collects and pays ADA.
- ❖ No expenses will be paid to them.
- ❖ Non-compete: Account-based; 2-years.
- ❖ Client belongs to: Re-seller.
- ❖ Intellectual property stays with ADA.

### Compensation

Compensation depends on the Annual Private Label Fees they pay.

<u>Annual Private Label Fees</u>	<u>Compensation</u>
\$100,000 per year	15%
\$200,000 per year	25%
\$250,000 per year	30%

## CO-SELLER

A co-seller can be an individual or a company.

Co-sellers will be properly embedded into the organization and be given full services like any in-house sales person.

### Common Terms for All Categories of Co-seller

- ❖ They sell under the ADA name.
- ❖ They will use ADA email address.

- ❖ Pricing: We jointly determine the price with the co-sellers margin built in.
- ❖ Contract signing: One of two ways
  - We authorize them to sign the contract on our behalf under our Federal Tax ID. We review and approve the contract before it is signed.
  - ADA signs the contract.
- ❖ Collection: ADA invoices the client. The co-seller collects. The funds are deposited in an ADA account. Co-seller gets paid within 48 hours.
- ❖ No expenses will be paid to them.
- ❖ Non-compete: Account-based; during term of agreement; both parties may solicit clients if partnership is dissolved.
- ❖ Client belongs to: Co-seller during the duration of the partnership. If the partnership is dissolved, then ADA shall have the right to solicit them directly without any hiatus.

## Level of Service & Compensation

### Basic Co-seller Services: 10%

- ❖ Qualify the lead.
- ❖ Identify the opportunity.
- ❖ Price negotiation. ADA will set minimum acceptable price per project.
- ❖ Contract negotiation. ADA reserves the right to review and approve terms.

### Advanced Co-seller Services: 15%

In order to earn an additional percentage of the revenue, the following additional services MUST be delivered.

- ❖ **Must be able to deliver Level-1 Presentation.** This is critical in order to earn the higher percentage of the proceeds, because this SAVES the time of ADA in-house sales engineers. (ADA sales engineers can do level-1 presentations during the first 90 days or 5 client opportunities – whichever is later.)
- ❖ **Must be able to** qualify leads, and **deliver a warm prospect who is already half sold on our solution.** In other words, initial pre-sales should already be completed before ADA sales engineers get involved.

### Additional Co-seller Bonus:

<u>Annual Sales Amount</u>	<u>Additional Bonus</u>
Up to \$500,000	Nil
\$500,001 - \$1,000,000	2% of this revenue block
\$1,000,001 - \$2,000,000	3% of this revenue block
\$2,000,001 - \$3,000,000	5% of this revenue block
\$3,000,001 - \$5,000,000	10% of this revenue block
Beyond \$5,000,000	15% of this revenue block

## ALLIANCE SUBSIDIARY

This status is available to a co-seller when they exceed \$5 million in annual sales.

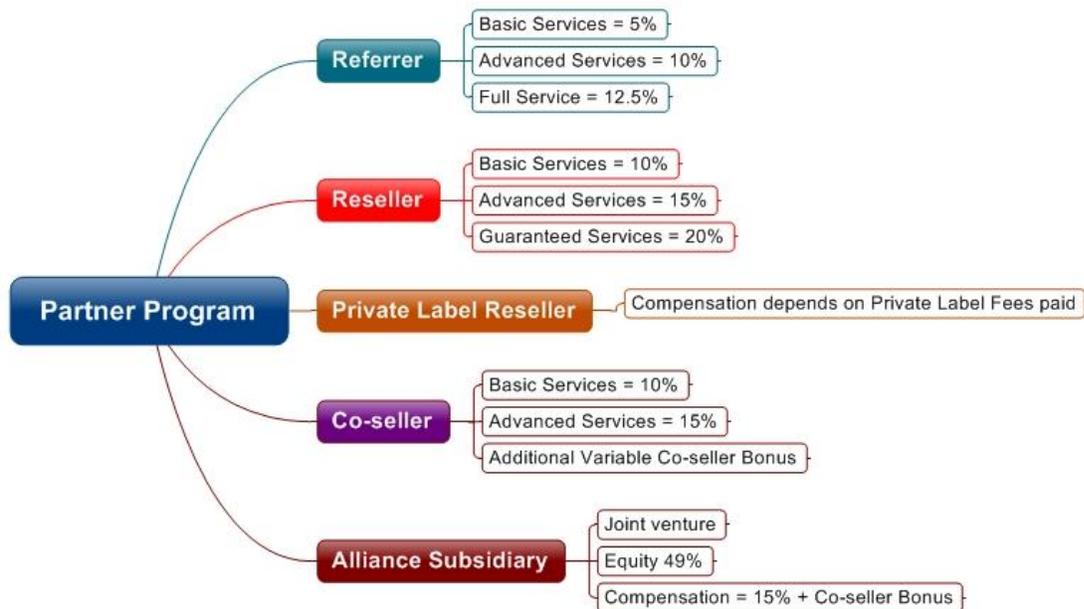
### Terms

- ❖ Joint-venture with ADA; for example: (e.g., ADA Software Northeast, Inc.”).
- ❖ Equity = 51:49 with ADA majority.
- ❖ They sell under the name of their ADA subsidiary.
- ❖ Contracts are signed in the name of the subsidiary.
- ❖ The subsidiary invoices the client and collects into their own bank account.
- ❖ In all other respects, the partner remains an independent entrepreneur under the ADA banner.
- ❖ Client belongs to the subsidiary. If the partnership is dissolved, then ADA shall have the right to solicit them directly without any hiatus.

### Compensation

- ❖ Compensation is 15% of revenues + Co-seller bonus.

## COMPENSATION PLANS AT A GLANCE



## Support Provided to Marketing Partners

We commit the following support for all our marketing partners.

- ❖ Good website that talks about our products, solutions and services.
- ❖ We shall identify the partner by name on the website.
- ❖ Sales Kit:
  - Brochure
  - PowerPoint Presentation

- PDF Flyers
  - Information gathering worksheet
  - NDA for prospective clients
  - Non-compete for prospective clients
  - Sample contract
- ❖ Training
  - ❖ Pre-sales Support - we shall do presentations for them (Level-2 onwards)
  - ❖ Remotely Hosted Lab showcasing our methodology with "live" executable examples
  - ❖ Proofs-of-Concept ( preferably paid by the client)

## Marketing Partner Code of Conduct

Marketing partners are expected to adhere to the code of conduct detailed in the separate document titled: "Marketing Partner Code of Conduct". If you do not have it, please ask for it by name from our Partner Program Manager.

## FOOTNOTES

1. **Proofs-of-Concept:** Unless these are priced decently like a pilot project, sales commissions will not apply to proofs-of-concept. Typically, we try to make the client pay "something" for a PoC as a sign of their commitment; such as, \$25,000, or \$20,000 or even a \$10,000. These payments do not cover the cost of the effort, and are paid entirely to the delivery center, with the ADA USA entity not retaining anything either.

## For more information

Paro Ghosh  
Partner Programs Manager / Regional Head SE  
paro.ghosh@adasoftusa.com  
Anytime# 516 903 4822



ADA Software Group, Inc.  
379 Thornall Street  
West Tower, 7<sup>th</sup> Floor  
Metropark, New Jersey 08837

[www.adasoftusa.com](http://www.adasoftusa.com)