Partner Program Guide

September 2019

Revision History

Date	Change
September 2019	- Community/Technology partner refactoring, document reordering - Added requirements for L2 certification - Added late renewal penalties - Added prompt payment discount - Aggregated annual minimums - Waived annual fees based on prior year achievements - Added price protection mechanism
April 2019	- Minor updates and corrections
February 2019	- Added updates for wholesale / MSRP pricing - Added terms for resellers signing up subordinated resellers - Introduced a second discount rates for fulfillment resellers
December 2018	- Added WUM updates for VARs under benefits
November 2018	- Added question on price list usage by region - Added question for how we address federal tenders
October 2018	- Removed requirement mandating only certified and premier certified integration partners can be resellers
September 2018	- Replaced content with revamped program details - Combined FAQ to the Partner Program Guide
August 2018	- Simplified partner naming and requirements
July 2018	- Introduced reseller program

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1. Types of WSO2 Partner Programs

WSO2's partner programs enable ISVs, system integrators, and resellers to profitably co-develop integration products and services alongside WSO2.

Since the inception of WSO2's partner programs, more than 100 companies have earned more than $1 billion from working alongside WSO2! WSO2 pays generous commissions for referrals, co-promotes your technology, and defers most implementation services to certified partners. In 2019, we estimate that our partners will generate $350 million from projects involving WSO2.

WSO2 has three partner programs:

1. **Integration Partners** - System integrators that perform integration delivery within WSO2 customers and discover new opportunities collaboratively with WSO2. WSO2 provides a generous commission, training, marketing development funds, and enablement resources to partners that develop leads in conjunction with WSO2 customer engagement teams. WSO2 account teams drive the customer engagement process to ensure successful adoption of the WSO2 Integration Agile platform while deferring delivery and implementation services to be sold by you.

2. **Resellers** - Businesses that are building revenue streams through selling WSO2 subscriptions and services directly to enterprises, the public sector, and other ISVs. Resellers can sell at a significant discount on their own terms WSO2 subscriptions and professional services to their accounts. The discount lets the reseller develop a long term renewal stream. WSO2 provides direct delivery of subscription and specialty professional services for the end user on the reseller's behalf.

3. **Technology Partners** - ISVs, OEMs, and community members that embed or extend the capabilities of WSO2 open source into new products and services. We collaborate on joint promotion, technology integration, and contributions with open source software.

2. Which WSO2 Partner Program Is Right For You?

Every company works differently and we have designed a program to help all kinds of businesses. If you have built a product using WSO2 technology, we have a number of ways to help you promote your offering and to get redistribution and trademark rights. For system integrators and integration professional services companies, we have programs that enable you to get referrals from teaming with our account teams within an account, and we also have a reseller program so to enable trusted and elite partners to sell WSO2 offerings direct into your own customers.

2.1 WSO2 Partner Programs - Comparison

	Purpose	Who Sells?	How Do You Make Money?
WSO2 Consultative Integration Partner	Earn commissions for finding new WSO2 Subscription opportunities	WSO2	Develop new opportunities for integration services; earn commissions and teaming fees when WSO2 invoices new sales on registered opportunities
WSO2 Certified Integration Partner			
WSO2 Premier Certified Integration Partner			
WSO2 Fulfillment Reseller	Provide procurement services to accounts unable to buy from WSO2	You	Sell WSO2 offerings to your customers while purchasing from WSO2 at a discount or wholesale price
WSO2 Value Added Reseller	Investing to generate returns by selling WSO2 offerings to your customers		
WSO2 Technology Partner	Demonstrate the value of using our products or solutions together; jointly expand our ecosystems		Co-promotion, lead referrals, possible joint selling or reselling
WSO2 OEM Technology Partner	Support and redistribution license for WSO2 IP within your product		Increased sales for your product, backed by WSO2 technology and support under a flexible rate structure
WSO2 Community Partner	Free promotion for your offering to the WSO2 community		Enhanced lead generation from WSO2 recognition

The way that you sell to customers differs through each of the types of programs. The selling motions and go-to-market programs vary by program type. We also work hard to avoid channel conflict and provide clear "rules-of-the-road" so that each of us understands how the other will be helping customers without conflicting with our mutual goals.

1. **Integration Partners** - Our referral programs are designed to enable system integrators and integration specialty vendors who perform design and implementation on various projects to gain enablement services around WSO2 and earn commissions **up to 18%** from registering accounts where you are proposing WSO2 as part of your solution. For these accounts that you discover and work within, you have a way to register the opportunity. If WSO2 is not already operating directly within the account, the opportunity will be accepted and associated to you. WSO2 will maintain a direct relationship with the account and sell and deliver our subscription and specialty design services with the account while TEAMING with you at every stage. If the opportunity is registered to you and we close business, then we pay you a commission for the referral fee. We will team with you and take every possible measure to ensure that any additional professional services that our customers require are quoted, sold, and delivered by you.

2. **Resellers** - For trusted implementation vendors and special selling situations, there are times where customers may want or need to acquire our offerings directly from a partner and not from WSO2. Resellers are able to sell our offerings directly to their customers on their own paper with their own terms and conditions, under some constraints. Resellers purchase our offerings from WSO2 **at a discount up to 35%** or **at a fixed wholesale price** and then resell those offerings to their customers. In the discounted model, resellers offer the identical list price to their customers and profit from the discount spread offered. In the wholesale model, WSO2 suggests an MSRP above the wholesale price, but the reseller sets the final price based upon the value of their overall packaging. We structure our pricing and discounts to avoid potential channel conflict or competitiveness between WSO2 and our partners. Our reseller programs require your end customer to accept the WSO2 EULA and support policy. WSO2 delivers any WSO2 specialty service or subscription offering direct to the customer on your behalf. Resellers take certain legal, warranty, liability, invoicing, and collection risks and in exchange, share in a larger portion of the sale with WSO2. Resellers that are selling in the same territories as WSO2 must also register opportunities to avoid channel conflict. If WSO2's account management team has been actively selling within the same account, we will be transparent and

either decline the registration or pass along account ownership to you. In either case, WSO2 will strive to delegate any value added design and implementation services to our partner that is working within the account at the same time.

3. **Technology Partners** - Our technology partnership programs are designed to help you maximize the reach and impact of products or services that incorporate or integrate with WSO2 technology. We collaborate to ensure end users have a great experience using our technologies together. We help you co-promote your offering as a complement to WSO2 products and services. We also cooperate on sales as appropriate - offering assistance ranging from lead generation, to lead sharing, to joint selling and in some cases to reselling arrangements. Technology partnerships are flexible and often adapted to specific opportunities.

3. WSO2 Integration Partner Program

Our referral programs are designed to enable system integrators and integration specialty vendors who perform design and implementation on various projects to gain enablement services around WSO2 and earn commissions **up to 18%** from registering accounts where you are proposing WSO2 as part of your solution.

	WSO2 Consultative Integration Partner	WSO2 Certified Integration Partner	WSO2 Premier Certified Integration Partner
Who Should Sign Up	Regional system integrators whose customers have started on a WSO2 project and are seeking to certify your experts on WSO2.	Integration specialty and global businesses that are building dedicated WSO2 implementation practices collaboratively working with WSO2 across multiple projects.	Global businesses that are investing for long term growth in a business with a dedicated WSO2 practice.
Key Value	Receive teaming incentives and cash bonuses while promoting success studies to the market to generate new business.	Larger commissions and bonuses with dedicated WSO2 support for your expert teams.	Our best commissions, free training, and tons of support to enable depth and breadth of integration expertise.
Annual Fees Refunded after $100K in closed deals you register; waived if annual co-sell minimum has been achieved in the prior year.	$0	$2,500	$10,000
Annual Co-Sell Min	$15,000	$50,000	$250,000

Benefits	WSO2 Consultative Integration Partner	WSO2 Certified Integration Partner	WSO2 Premier Certified Integration Partner
Teaming Commission - New WSO2 Subscriptions	up to 8%	up to 15%	up to 18%
Teaming Commission - WSO2 Services	up to 5%	up to 11%	up to 13%
Waived WSO2 Certification Exam Fees	Yes, for passing grades	Yes, for passing grades	Yes, for passing grades
Free WSO2 Query Support Hours for You	0	10	25
WSO2 Partner Finder, Website Listing, Logo, Portal, Co-Marketing	Yes	Yes	Yes
WSO2 Update Manager	Yes	Yes	Yes
WSO2 Channel Manager Assigned	Yes	Yes	Yes

Requirements	WSO2 Consultative Integration Partner	WSO2 Certified Integration Partner	WSO2 Premier Certified Integration Partner
WSO2 Certified Sales and Integration Experts on Staff	1	7, including at least 1 at Level 2	15, including at least 3 at Level 2
WSO2 Co-Marketing and Sponsorship Activities - Annual	1	8	14

For the certification experts, we look at how many people have completed the certification at the end of the year. You can have any mix of technology or sales certifications across your staff as long as you meet the minimums. Most partners have a blend of people across our WSO2 Certified Developer, WSO2 Certified Administrator, WSO2 Certified Architect, WSO2 Certified Sales Professional (Q1 '19).

For the marketing programs, we have a point system that gives your organization credit towards achievement of the marketing activities. You receive points for joint case studies, joint workshops, a workshop that you deliver, customers speaking at WSO2 events, and sponsorship for WSO2 events.

To become a partner please review this program guide and FAQ, then fill out a partner application at https://partners.wso2.com/partner-application?partnership_level=Integration. A WSO2 channel manager will follow up to begin discussions.

4. WSO2 Reseller Program

	WSO2 Fulfillment Reseller	WSO2 Value Added Reseller
Who Should Sign Up	Financial and administrative resellers whose customers are purchasing WSO2 subscriptions and services that facilitate rapid and orderly transactions.	Businesses that are investing to generate significant returns by promoting and selling WSO2 integration software, subscriptions, and services.
Key Value	Recurring royalty from all WSO2 sales.	Ongoing royalty streams from selling WSO2 with opportunities for mutual market investment and practice development.
Annual Fees Refunded after $100K in purchases; waived if annual purchase minimum has been achieved in the prior year.	$0	$10,000
Annual Purchase Minimum	$0	$150,000

Program Benefits	WSO2 Fulfillment Reseller	WSO2 Value Added Reseller
Wholesale Purchases	N/A	See price list – we advertise MSRP and you purchase wholesale
Discount - New WSO2 Subscriptions	3% or 10% if regulatory / public sector	35%[1]
Discount - Renewal WSO2 Subscriptions	3% or 10% if regulatory / public sector[2]	12%[13]
Discount - WSO2-Branded Services	2% or 10% if regulatory / public sector	8%
Discount - prompt payment	1% for invoices paid within 15 days	1% for invoices paid within 15 days
Waived WSO2 Certification Exam Fees	No	Yes, for any passing grade
Free WSO2 Support Hours	0	10

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[1] In situations where WSO2 engages a VAR to assist with certain aspects of WSO2 account, commissions may be negotiated at a lower rate; for instance where VAR is acting in only a Fulfillment Reseller capacity the Fulfillment level commissions will be offered.
[2] Reduced by 0.5% for late renewals, reduced by 1% for renewals late by more than 30 days.
[3] Reduced by 2% for late renewals, reduced by 4% for renewals late by more than 30 days.

WSO2 Update Manager	No	Yes
WSO2 Partner Finder, Website Listing, Logo, Portal, Co-Marketing	Yes	Yes
WSO2 Channel Manager for Co-Selling	Yes	Yes

Requirements	WSO2 Fulfillment Reseller	WSO2 Value Added Reseller
WSO2 Certified Sales & Integration Experts on Staff	0	10, including at least 1 at Level 2
WSO2 Co-Marketing and Sponsorship Activities - Annual	0	10

For certification experts, we look at how many people have completed the certification at the end of the year. You can have any mix of technology or sales certifications across your staff as long as you meet the minimums. Most partners have a blend of people across our WSO2 Certified Developer, WSO2 Certified Administrator, WSO2 Certified Architect, WSO2 Certified Sales Professional (Q1 '19).

For the marketing programs, we have a point system that gives your organization credit towards achievement of the marketing activities. You receive points for joint case studies, joint workshops, a workshop that you deliver, customers speaking at WSO2 events, and sponsorship for WSO2 events.

To become a Reseller please review this program guide and FAQ, then fill out a partner application at https://partners.wso2.com/partner-application?partnership_level=Reseller. A WSO2 channel manager will follow up to begin discussions and conduct a due diligence review, which may include audited financial statements, reference checks from end customers, and independent credit checks as WSO2 deems necessary. Typically new partners will enter the program as a Fulfillment Reseller and/or Integration Partner and graduate to VAR status as their WSO2 business capabilities and client base expands.

5. WSO2 Technology Partner Programs

Our technology programs are designed to help you maximize the reach and impact of software or cloud products that you have built using WSO2 technology. The WSO2 Community Partner program has a simple click-through, non-binding commitment of mutual support letter that you can execute online.

	WSO2 Technology Partner	WSO2 OEM Technology Partner	WSO2 Community Partner
Who Should Sign Up	For ISVs, technology platforms, and solution businesses that integrate with WSO2 to provide a contribute to WSO2 open source, extend WSO2 products with plug-ins or adapters, or create new products or SAAS offerings using WSO2 technology.	ISVs that have embedded WSO2 products into their own commercial offerings and need to redistribute WSO2 patches, extend update distributions to their customers, or develop joint revenue streams through co-promotion and white labeling WSO2 open source.	For developers or ISV businesses that contribute to WSO2 open source, extend WSO2 products with plug-ins or adapters, or create new products or SAAS offerings using WSO2 technology.
Key Value	Educating users on how to leverage our products and services together for greater value. Co-marketing through a listing in the WSO2 Partner Finder, a customized landing page, and press activities. As appropriate we engage in lead referral, joint selling, or reselling.	Increase your end user satisfaction, security, and reliability of products that embed WSO2 technology. Gain WSO2 trademark licensing and patch redistribution rights to facilitate promotion of new products. Develop long term joint revenue opportunities that promote broader adoption of technology within your customers.	Acknowledgement of your contributions and expertise through listing in our partner directory. Opportunities for co-promotion.
Fees	Free	Negotiated	Free

Please get in touch with a WSO2 Channel Manager or account manager to begin discussions around Technology or OEM partnerships.

WSO2 Community Partners can complete an on-line application at https://partners.wso2.com/partner-application.

6. WSO2 Partner Program - FAQ

6.1 General Questions

What does WSO2 consider a good Integration Partner or Reseller?

A partner that takes proactive steps to obtain technical and sales certifications, acquire new customers, develop revenue generated through influenced WSO2 Subscription and Services sales, expand customers, nurture pipeline actively, and coordinate lead-gen activities. Communication is an essential part of being a good partner. A Reseller also must demonstrate financial viability - the unexpected dissolution of a Reseller could leave us holding the bag providing substantial services to the end customer for free.

What is the difference between WSO2 Subscriptions and WSO2 Services?

WSO2 Subscriptions are how we provide support and other value added services to the software that our customers consume. The WSO2 Subscription contains dozens of components that help customers get the maximum value out of WSO2 software, get into production quicker, and de-risk complicated projects.

WSO2 Subscriptions include support hours for developers (development support), incident query support with an SLA (production support), access to bug fixes and security patches, and value added consultative services to ensure the best possible design and rollout of the software.

WSO2 works to sell subscriptions early into accounts, even well before they are in pre-production as there are numerous components of the subscription that help accelerate the path into production.

WSO2 Subscriptions are sold on an annual basis and are renewable. Subscription price is driven by the size of the deployment of our software. We have built in volume-based discounts, regional currency variations, and multi-year prepay incentives built into our pricing model. The WSO2 subscription includes both development support and production support bundled within the same subscription.

WSO2 Services are value added professional services that are designed to help customers plan and maintain their implementation. These services are complementary to the implementation and delivery services that you sell as a partner. Our most popular services

are a Quick Start Program (1 week intensive design and prototype), architecture reviews, performance analysis, and training.

For the most part, WSO2 will always defer implementation services to a partner. We do perform some long term professional services engagements, but these are rare and usually driven by an unusually strategic relationship between the customer and WSO2.

What do you mean by "WSO2-Branded Services", aka WSO2 Services?

To avoid confusion with our partners, we make the distinction between services related to WSO2 that are sold and delivered by our partners and specialty services that are designed and delivered by WSO2. We call the latter "WSO2-Branded Services".

Sometimes the names and concepts between a partner-delivered service offering and WSO2-Branded Services have a lot of overlap. For the purposes of this document, WSO2-Branded Services are offerings that are on WSO2's price list and delivered by WSO2. These WSO2-Branded Services can be quoted and sold by our partners alongside their own services.

Can I take part in the WSO2 Integration, Reseller, and Technology Partner programs at the same time?

Yes, your company can participate in each program if you meet the qualifications. For partners that are both Integration Partners and Resellers, each opportunity that you work upon can only be registered within one of the programs. If you are part of multiple programs, your company can display the partnership logo for each program you are a member of. Program fees are calculated separately and specific to the sales registered within each program, but sales under either program count towards both the Annual Purchase Minimum and the Annual Co-sell Minimum.

Will WSO2 compete with me on delivery services?

Our default policy is to give all implementation services to a partner. If a partner is not already in the account, we will make every effort to bring a partner into the account.

For Integration Partners where WSO2 is selling our subscriptions direct into the account, we will do everything we can to avoid competing with you on implementation services. There are situations where this is unavoidable:

1. WSO2 sells specialty WSO2-Branded Services designed to minimize the risk for a customer and to accelerate their adoption of our technology. This includes WSO2 Quick Start Programs and WSO2 Architecture Reviews. We encourage customers to sign up for these offerings, including through our partners, as we have found most customers have a smoother implementation on fewer support tickets when these short-term offerings are delivered by us with an account. Some of our Premier Integration Partners have developed similar offerings to Architecture Reviews that are delivered by individuals that have obtained advanced WSO2 certifications and we encourage this.

2. WSO2 is treating a customer as a long term strategic account. This is not common and we have roughly 1 per selling territory (we have 9 selling territories). In strategic accounts we do long term specialty packages that combine specialized subscriptions and all-inclusive implementation services. An account becomes strategic for WSO2 if they are multi-jurisdictional or we believe there is an opportunity to do a large scale, long-term subscription commitment coupled with specialized roadmap and product collaboration.

3. We recommend and refer partners to an account and they refuse to accept any partner referrals. This is not common, but it does happen. It's also happened that the reverse occurs where customers tell us that they must work with a value-added partner.

How do we avoid the dreaded, "The customer wants to purchase from…" conversation?

There are any number of situations that can strain the relationship between WSO2, you, and the customer.

The most common and frustrating situations are:

1. WSO2 has been selling in the account with significant effort and the customer later informs us that they wish to buy from a late-entrant partner. This typically happens because the customer has all-in-one papering, value-added, or relationship goals.

2. The reverse can also happen. No matter who sells, WSO2 is the only party that can deliver support from our subscriptions. There are customers where partners have been selling design services and then demand to have a singular relationship with only the vendor.

3. A customer purchased from a partner or WSO2 during one period, and then decides they want to switch in the next period.

The best antidote to addressing these concerns is proactive and frequent collaboration between WSO2 and you. Each party operates with the customer to avoid confusion or question motivation. It is recommended that after a deal is registered, all discussions relating to quoting, pricing, and purchasing should not be done in isolation with the customer. Teaming protocol becomes essential so that we share the best proposal to the customer with a joint communication.

If customer purchasing communications are done together then we can adjust to the customer's needs together. If doing right by the customer means that one party gets an unfair share of the WSO2 Subscription and WSO2 Services proceeds, our Channel Managers are authorized to discuss and make exceptions that redistribute discounts and commissions to correct the imbalance.

As a Reseller, what is the relationship between me, WSO2, and my customer?

You own the customer and manage the account. As a reseller, you are authorized to sell WSO2 Subscriptions and WSO2 Services to your accounts at a discount.

When you sell WSO2 Subscriptions and Services, we require that our EULA and Support Policy be included in all transactions. The end user customer will bind themselves to the WSO2 EULA, sign up with WSO2 Support, and agree to the WSO2 Support Policy. They can either do that with terms embedded within your contracts, but we also have click-thru agreements that the customer can accept when they first register the support account.

You and we both want the customer to be bound directly to our support policy. WSO2 is going to deliver our support services to the account and need to have a direct relationship with that account. We have a special process for onboarding all customers to help us ensure that the customer's environment will remain stable and that they have a high degree of satisfaction leading to a renewal.

You can impose any other terms and conditions that you want such as different forms of liability, warranties, local paper, local currency, and different collections.

As a Reseller, can I sign up resellers that operate underneath me?

In certain situations and with WSO2's approval, yes. In particular, many public sector deals require a certified reseller to transact with the entity. This requires a WSO2 reseller to work with specialty firms to complete the transactions. The only relationship that WSO2 maintains is between our reseller and the end user account. WSO2 resellers can create subordinated relationships with their own partners and divide up their portion of the discounts and profits with their partners. WSO2 resellers must require their partners to pass along the WSO2 EULA and support policy through their subordinated partners.

Can I have access to my customer's support account?

Both Integration Partners and Resellers can gain access to your customer's support accounts. Our policies allow third parties to access a support account, with the Subscriber's authorization. Likewise a customer holding the support contract with WSO2 may authorize you to access the support account and help further the project there. In each case, WSO2 requires permission from the Subscriber. There must be at least one Subscriber representative with account access, to authorize and manage support account access, to

assist with escalation procedures, and to monitor compliance with the agreement. Note that all individuals authorized to use a support account can see all the issues and notices tied to that account; we cannot distinguish between Subscriber and third party account capabilities.

Can a customer have access to my WSO2 Updates or WSO2 support account?

Generally, no, but with an exception.

This may be confusing to pre-existing partners as we had overlapping concepts that we are now separating. In the following, WSO2 Updates refers to fixes and binaries that WSO2 distributes using the WSO2 Update Manager (WUM). Customers with an active subscription use WUM to get their incremental updates and migrations. Integration Partners are granted a WUM account for the duration of their partnership, and the updates you receive through WUM are only for your internal testing. You are explicitly not permitted to redistribute the updates provided through WUM, especially to your customers.

1. **Your Support Account.** As an Integration Partner or Reseller, you have a dedicated support account where we give your experts free Query Support Hours and access to WUM. These Query Support Hours and WUM updates are for your experts and you are not allowed to pass along to your customers. You are not allowed to resell these free hours or include them within any customer engagements that you quote. They are there to enable your experts to learn and overcome hard problems that they are working on to have a better level of enablement for your customers.

2. **A Support Account in Your Name for a Customer.** Previously, we did allow Integration Partners to buy on behalf of customers and then manage a support account in your name on behalf of an anonymous end user customer. We now have the Reseller Program and all end user accounts must bind themselves directly to the WSO2 Support Policy. Or, if you want, you can buy direct from WSO2 as the end user customer and then our SLA will be to you, and not the customer. This latter practice is strongly discouraged now that the Reseller Program is available.

How do existing partners transition into the new Integration Partner and Reseller programs? I've previously done 3-way deals with WSO2 and a customer, are these still valid?

We have conversions for different kinds of partners. Our objective with this mapping is to be fair and to give partners any benefit of the doubt.

1. **WSO2 Strategic Partner**. This was a limited-time program for a couple of partners. Any strategic partner will be reclassified as a WSO2 Premier Integration Partner. Any certification minimums are waived for the upcoming 12 calendar months.

2. **WSO2 Sponsored Partner**. You will be migrated up to a WSO2 Certified Integration Partner. Any certification minimums are waived for the upcoming 12 months.

3. **WSO2 Integration Partners Becoming Resellers**. We had some instances historically where WSO2 had entered into 3-way agreements between an Integration Partner, WSO2, and an end user customer. The customer needed to have the partner quote and invoice for the deal. For each of these deals, we would like for all of them to be moved into a Reseller structure. If you did the original 3-way deal with us then we guarantee that this customer account will be yours in a Reseller package.

   We need all of these accounts to transition to a Reseller or Integration Partner standard before the end of 2019. This is designed to protect us, you, and the customer. A WSO2 Channel Manager will need to verify that the existing account was a special 3-way account.

   When transitioning an existing account from an older model to the new Reseller model, the customer will have to agree to the WSO2 EULA and WSO2 Support Policy, which are non-modifiable and embedded within the reseller terms that you offer to your customer.

We have some special incentives available for partners to encourage this transition:

a. Any existing subscriptions that are converted over into a Reseller purchase will have the default 12% renewal discount.
b. Any Net New ARR, as defined by annualized WSO2 Subscription, that is an expansion above the existing run rate will be given a 50% discount, higher than the normal 35% discount.
c. Any new WSO2-Branded Services that you sell as a reseller will be paid a 20% discount, higher than the normal 8%.

What is the difference between an OEM and an enterprise sale of WSO2 technology?

An OEM is a special licensing and business arrangement where an ISV gets permission to redistribute WSO2 updates and gain a WSO2 trademark license.

While WSO2 source code is open source and licensed under the ASL v2.0, which grants redistribution and reuse of the source code, the binary patches and security updates that we sent out against an SLA response time are not licensed with ASL. Additionally, WSO2, WSO2Con, and Ballerina are trademarks of WSO2, Inc. and these marks, even in the smallest fashion, are not permitted for reuse without a trademark license.

An OEM agreement is a special, custom negotiated agreement, that WSO2 does with a vendor that has produced their own SAAS or product that they sell independently. In this product, if they have the need to redistribute WSO2 patches or to get a WSO2 trademark license, it is granted as part of the OEM agreement. These vendors get a significant discount against our WSO2 Subscription rates and pay royalties to us in arrears as they sell into their customer accounts.

OEM agreements are always custom negotiated which makes them difficult to enable for our resellers. Today, only WSO2 is authorized to sell an OEM distribution or trademark arrangement.

Usually, with an OEM agreement, the future potential through the force multiplier effect of the partner selling to many fold more customers is significant. WSO2 negotiates OEM agreements that have structured royalty payments and incentives for us to co-develop your market, since the more you make the more we will make.

Can a WSO2 Integration Partner or Reseller sell WSO2 Subscriptions in an OEM agreement?

Integration Partners can get commissions for 1st year OEM royalties and any professional services sold within the first 12 months after a deal has been registered and accepted.

Unfortunately, Resellers are not able to resell OEMs at this time. This is due to the complexity of these custom negotiated contracts and the limited margins that they usually offer. Please register the account as a registered deal and WSO2 account teams will drive the closure.

As a Reseller, if you uncover an OEM opportunity, please register the deal as an Integration Partner. You will get the commission credit.

Can a WSO2 Integration Partner or Reseller sell WSO2 Subscriptions to commercial SaaS vendors?

Integration Partners can get commissions for sales into SaaS vendor.

Resellers will note that our EULA states, "SaaS. You shall not make the Update or Product that includes the Update available as commercial Software-as-a-Service". Essentially, WSO2 treats commercial SaaS vendors as OEMs to prevent abuse of patch redistribution.

Having said this, if a Reseller encounters a commercial SaaS opportunity with a vendor that is not directly competitive to WSO2 and only needs patches for internal usage of the SaaS, then we can grant an exception to the OEM clause and treat the SaaS vendor as a normal enterprise customer.

For clarity, commercial SaaS does not encompass vendors who are building APIs that are for-fee. We use SaaS in the most classic definition here.

6.2 Program Requirements and Minimums

What are the criteria WSO2 evaluates when considering my application to become a Community Technology Partner?

If you have a product that was built on top of WSO2 products, makes use of WSO2 products, or embeds WSO2 products, you are qualified.

Also, companies that contribute as part of the open source community to any WSO2 products, whether it's support, documentation, configuration or code contributions, are eligible to participate in this program.

What are the criteria WSO2 evaluates when considering my application to become an Integration Partner?

We will primarily look at your company's ability to meet the stated minimum qualifications for the partner tier that you are seeking. This evaluation is fairly subjective and most companies should be able to qualify.

Key attributes that we will ask you about include:

1. How many technical and selling employees do you have?
2. What experience and previous projects have you undertaken related to integration or security?
3. Do you have the will and ability to get key staff certified on WSO2 in a timely fashion?
4. Are you willing and able to commit to joint marketing initiatives for us to develop new markets together?

I am an individual consultant and my customer is using WSO2. Can I become an Integration Partner?

Yes, you can become a Consultative Integration Partner and earn teaming commissions.

What are the criteria WSO2 evaluates when considering my application to become a Reseller?

WSO2 Resellers are subject to a diligence checklist. You will be taking on some liability, warranties, and financial risk, and we want to verify that your business can sustain itself in light of these risks. WSO2 takes on credit and delivery risk by executing with an end user customer when you send us signed paperwork in advance of payment. Since we absorb this delivery and credit risk, our checks may include, but are not limited to, reviewing your audited financial statements, reference checks from end customers and independent credit checks as WSO2 deems necessary.

The Integration Partner and Reseller programs have annual co-selling and purchase minimums. How are these calculated?

For Integration Partners, this minimum amount is calculated as the sum total of bookings for WSO2 Services or new WSO2 Subscriptions sold by WSO2 into opportunities that were registered by you and accepted by us.

For Resellers, this is the minimum amount of WSO2 Subscriptions and WSO2 Services that you must purchase from us after discounts are applied each year. The purchase is the sum total of the purchase including new and renewal subscriptions.

Annual fees that are refunded after achieving $100K - how is this calculated?

We will use the same calculation used to determine co-selling minimums for determining the threshold for refunding your partner program fees.

What happens if I do not meet the program minimum requirements at the renewal?

At the time of your partner program renewal, a WSO2 Channel Manager will evaluate whether you have met the annual minimums required to maintain your status. If you fail to meet the minimums, a conversation will ensue. We will do everything we can to help you maintain and hold a partnership tier level. If we cannot, potential remediations include downgrading you to a lower tier or potentially removing you from the program.

As an Integration Partner or Reseller, when must I promote WSO2-Branded Services?

We will do everything within our ability to avoid channel conflict on implementation services with our partners. It is never our goal to take implementation business away from partners.

However, we have found that there are short-lived, specialty services that help our customers adopt our technology faster and de-risk big projects for end user customers. These include WSO2 QuickStart Programs and WSO2 Architecture Reviews. Today, these branded services can only be sold and delivered by WSO2. Some of our Premier Integration Partners have individuals with advanced certifications and have started to sell similar offerings, and this is encouraged.

We strongly encourage all partners team with WSO2 to promote these offerings alongside a WSO2 Subscription. Customers are more likely to give us both a higher Net Promoter Score, demonstrate higher forms of satisfaction, and renew + expand their business commitment to us.

You are not obligated to sell these services into your accounts, but we may end up requiring a customer to acquire or take these services before we commit to providing support for that account. Our WSO2 Subscription contains a very strict SLA that we bind ourselves to, and there are times where we create (at our own expense) support War Rooms where our teams operate 24/7 to resolve thorny customer issues. For accounts that purchase our subscriptions and rush into a support engagement with us without participating in some WSO2 specialty services, this increases the likelihood that the customer encounters some difficult problem that becomes costly for both our partner and us to resolve.

Resellers are entitled to quote WSO2-Branded Services alongside WSO2 Subscriptions. While there are no mandatory WSO2-Branded Services that must be quoted on reseller quotes, as we gain an understanding of different kinds of opportunities we may strongly suggest or require that these services are included in your quotes in the future.

DISCOUNT PRICING: As a Reseller can I quote WSO2 offerings at a list price different than WSO2?

WSO2 has a policy of fairness to all of our customers. This fairness policy means that:

1. We advertise our list rates to all customers.
2. We (do our best) to ensure that the same list rates are offered to all customers in every territory.
3. We have standardized, non-discretionary, discounting structures that are fairly applied to customers.

The result is that we can stand in front of a customer and inform that we do not play pricing games. Our WSO2 Subscription prices are already fairly priced, and in some cases, 75% lower than other publicly traded software companies offering the same technology with a lower quality support subscription.

If customers felt that they could get a different or a better price by competing quotes from different resellers or across WSO2 direct vs. reseller, then the integrity of our pricing model would break down globally, significant partner channel conflicts would ensue, and we'd end up causing deep levels of customer dissatisfaction.

As such, it is also illegal in some countries for a vendor such as ourselves to mandate minimum list prices. We can, however, mandate that our subscriptions are purchased at a minimum absolute value. We set our WSO2 Subscription and WSO2 Services to be at an absolute price point that is specific to the program tier that you are operating in. The discount rates are different between Fulfillment Resellers and Value Added Resellers.

As a partner, it is possible for you to end up quoting above or below the MSRP (after our structured discounts are applied) to your end user customer. We have no legal recourse for preventing you from doing this. However, if we discover that you follow this practice, then we will terminate your membership into our partner program. Like all situations, we do have an exception process and partners can ask for a quoting exception whereby WSO2 will also adjust the minimum purchase price that is required of the partner. This request must be made directly with your Channel Manager and its approval must flow through WSO2's managerial approval process for any non-standard deals.

WHOLESALE/MSRP PRICING: As a Reseller can I quote WSO2 offerings at a list price different than WSO2?

Starting February 2019, WSO2 introduced wholesale / MSRP pricing for some items while maintaining discount-based pricing for other items. In the wholesale model, Resellers purchase from WSO2 at a fixed amount and can offer their customer any price they want. WSO2 will advertise an MSRP to all customers globally, but partners can offer prices above or below this price reflective of the overall value add that they incorporate into the solutions that they sell into customers.

Can I quote a WSO2 list price from a region different to the region in which a service is to be delivered?

No, partners should always refer to the WSO2 price list relevant to the region a service is being delivered or subscriptions are being contracted from. Partners incorporating WSO2 into a solution for a customer in another region should use the price list in the customer's primary or home region.

As a Reseller can I quote a customer if WSO2 is already in the account?

Yes, if the account has been deal registered and accepted by WSO2.

You can quote an account with WSO2 Subscriptions and WSO2-Branded Services if you have registered the deal as a Reseller and WSO2 accepted your deal registration.

Resellers MUST register a deal before quoting the customer. This is one way to ensure that WSO2 has not been operating in the account for a significant amount of time. On rare occasions, we may reject the deal registration because we have expended significant selling resources into the account already. We would have significant conversations with you in a teaming fashion if this rare situation were to develop.

We want to follow the principle that the party who does the bulk of the selling gets the bulk of the margins.

"Significant selling resources into the account" is admittedly subjective, but our threshold for determining this is more than answering some light queries from a prospect. It is not in our interest to take an account direct if a reseller is capable of managing the account. Our threshold for rejecting a deal registration for a Reseller requires us to have extended

significant free support resources in a pre-sales capacity, made onsite visits to the account, BANT-qualified the account, have made a structured pricing proposal, or previously delivered WSO2-Branded Services, such as a WSO2 Quick Start Program. These activities extend beyond normal account interaction and signals to WSO2 that we have extended significant selling efforts and will take the account direct.

If a Reseller deal registration is rejected because WSO2 is taking the account direct, then the account can be registered to you as an Integration Partner. The appropriate teaming commissions are then applicable.

If, as a Reseller, a deal registration is rejected and you do not feel that WSO2 has met this threshold of significant selling ability, notify your Channel Manager and we have an internal escalation policy to review further.
The key takeaway is that *communication is essential*. The more we can communicate, the better off we will be.

In accounts that we enter into early together, WSO2 is inclined to pass along the account to a reseller and let them take their maximum discount.

"WSO2 Certified Sales & Integration Experts on Staff" what does this mean?

For more information, please visit: https://wso2.com/training

As a WSO2 Integration Partner or Reseller, there are minimum number of certified experts that you must have on your team to maintain your partnership status.

WSO2 has different certifications for developers, architects, administrators, and sales professionals. For developers and architects, we have different certifications for each of our products, and those certifications are different levels indicating your depth of expertise. A minimum number of Level 2 certifications helps ensure customer satisfaction with better architectural guidance and more experience to properly scope and estimate project scopes.

You can obtain certifications in any combination across these types of certifications, though most partners emphasize technology certifications more than sales certifications.

Having a good balance of certified professionals will help you with lead referrals. When WSO2 account managers are working on new opportunities and need to refer an implementation partner, they emphasize those operating within the region that have a strong balance of practice engineers, WSO2 certified technologists, and WSO2 certified sales professionals.

What happens if I am unable to get the minimum number of people certified by the time of my partnership program renewal?

The certification minimums are the expected number of certifications that are held by your staff. A single person can hold multiple certifications and they each count towards your requirements. WSO2 Channel Managers have discretion in analyzing whether a partner met their minimum certification requirements at the time of renewal. Partners that have made genuine efforts towards meeting the certification expectations with their available staff and participate actively in co-marketing are given the most discretion.

Additionally, every year, WSO2 holds a Sales Boot Camp in Colombo, Sri Lanka. Partners are invited to attend. This session is for your technology experts and your sales professionals. For each person that you send to the event, you are given credit for one certified individual towards your minimum requirements.

"WSO2 Co-Marketing and Sponsorship Activities - Annual" what does this mean?

This is the minimum number of co-marketing activities that our two companies must perform within your partnership period. The purpose of co-marketing is to further develop the integration market together, build relationships with influential architects around the globe, and to uncover new opportunities that we can co-sell into.

You can participate in any number and kind of events. Each event has points allocated to it which count towards your minimum annual targets.

Activity	Description	Points
Joint Case Study	A case study narrates the story of how you have helped your customers reach their business and technical goals with WSO2 products. By writing a joint case study with us you will be able to indirectly endorse your company, provide concrete examples of how useful your services are, showcase specific features and benefits and attract new customers who relate to your real-world use cases. The case study can be anonymous if the end user customer cannot be referenced publicly. WSO2 has more than 200 case studies published online and we have heard repeatedly that our rich database of proven projects is the top reason why new customers are attracted to us.	1
Joint Workshop	A workshop is a 4-6 hour event that covers a current, and technological topic related to integration and current market trends. If you co-promote and advertise a workshop that we host and deliver in your region, then in addition to getting credit for the partner program, we also will ensure that you get deal registration and first-priority services commitments for any opportunities that develop from the workshop. Additionally, WSO2 will set aside advertising dollars to promote the workshop alongside your own promotions.	1
Partner Workshop	These are workshops that you organize, promote, host, and deliver on your own that include at least 15 attendees. We can optionally fly in a WSO2 Subject Matter Expert (SME) to participate in the event.	2
Your Customer Speaks at WSO2Con	If your customer sends a representative to give a case study or panel discussion talk at any WSO2Con, we would be very much appreciative!	2
Sponsor a WSO2 Summit	WSO2 Summit is a one day con that focuses on CxO's and Solutions Architects. We sell sponsorships to a limited number of partners that are within the region.	2

If your co-marketing requirement is 10 activities, this represents the points in the table above. You could sponsor two WSO2Con events and a WSO2 Summit to achieve your 10 points. Or, perhaps you do 10 joint case studies with us.

How are workshops driven and funded?

For Joint and Partner Workshops that are scheduled and planned by WSO2, we invest discretionary dollars to fund advertising, SMEs, event coordination, and event logistics (location rentals, T&E), and content development. Each workshop that we run has a different level of funding that is determined by a WSO2 Channel Manager and WSO2 Marketing.

We can divert funds to support your promotion of the event. We want to see you commit time, effort, and promotion into workshops that we perform together. We can only further develop the market by leverage each others' resources effectively.

What do WSO2 Channel Managers do?

We have assigned a full time Channel Manager to each selling territory. Channel Managers have the following responsibilities:

1. To pursue and develop new partners into the WSO2 Integration and Reseller programs.
2. To evaluate the application of and onboard new partners into programs.
3. To facilitate the rapid evaluation of all registered deals so that notifications can be made in a timely manner.
4. To be the primary point of contact for a partner to get all program, co-selling, co-marketing, commission, and delivery questions answered for you.
5. To prepare and manage a territory-wide pipeline of opportunities across different partners.
6. To facilitate all forms of partner enablement.
7. To ensure that our direct selling teams are aware of all available partners, their offerings, and the best way to include them within WSO2 opportunities.
8. To review and certify that partners have met their minimum requirements when their program status is up for renewal.
9. To ensure that partners owed commissions are calculated fairly and promptly paid.

6.3 Special Programs

Do you have any special MuleSoft replacement programs?

Yes.

For Resellers that register a MULE ESB or API Management replacement opportunity, we will double our normal discount rates by providing a 70% New WSO2 Subscription discount and 25% Renewal WSO2 Subscription discount. A WSO2 Channel Manager must verify that the customer is a MULE swap out in order to get this discount.

Did you know that MULE's list rates for the same sized deployments of ESB and API Management run sometimes 4x higher than WSO2's? In many cases, WSO2's Subscription and technology stack is superior and we can handle any particular case.

Do you have any special programs for pre-existing partners converting old-form 3-way customers into those managed by a Reseller?

Yes.

We had some historical instances where WSO2 had entered into 3-way agreements between an Integration Partner, WSO2, and an end user customer. The customer needed to have the partner quote and invoice for the deal. For each of these deals, we would like for all of them to be moved into a Reseller structure. If you did the original 3-way deal with us then we guarantee that this customer account will be yours in a Reseller package.

We need all of these accounts to transition to a Reseller or standard Integration Partner before the end of 2019. This is designed to protect us, you, and the customer.

We have some special incentives for this transition:

    a. Any existing subscriptions that are converted over into a Reseller purchase will receive the 12% renewal discount.

    b. Any Net New ARR, as defined by annualized WSO2 Subscription, that is an expansion above the existing run rate will be given a 50% discount, higher than the normal 35% discount. For example, if your customer previously had $40K subscription and renews at $60K, you will buy $40K at a 12% discount

and $20K at a 50% discount. In the following year, your customer will renew $60K that you purchase at a 12% discount.

c. Any new WSO2-Branded Services that you sell as a reseller will be paid a 20% discount, higher than the normal 8%.

A WSO2 Channel Manager will need to verify that the existing account was a special 3-way account to get this extra discount.

Are there any Market Development Funds (MDFs) available for partners from WSO2 to assist in co-marketing activities?

Yes.

For 2019, we have a global pool of funds that are available for partners that are doing workshops together. The funds are to support logistics, promotion, and delivery of the events. Contact your WSO2 Channel Manager to make a request for the funds. We evaluate requests individually on their merits.

6.4 Commissions and Discounts

What is the difference between getting a commission and a discount?

WSO2 supports two types of partner programs: Integration Partners receive commission credit from deals closed by WSO2 sales and Resellers can purchase WSO2 offerings at a discount to or at a fixed price, and in turn, sell at higher prices to their customers.

Integration Partners - WSO2 teams with you within the account. WSO2 does all (with some minor exceptions) of the quoting, selling, invoicing and collecting related to WSO2 subscriptions and WSO2 services. After we collect payment, we pay you a commission. You must register the deal and have it accepted by WSO2 in advance of WSO2 closing any business. We team well with our partners and can ensure that partners get the implementation and design professional services.

Reseller - You have your own software selling business and are authorized to quote, sell, invoice and collect on transactions that include WSO2 Subscriptions and WSO2-Branded Services. For discount-based pricing, you purchase WSO2 offerings from WSO2 at a published discount and sell them to your customers at our published list rates. For

wholesale-based pricing, you purchase WSO2 offerings from WSO2 at a fixed rate and then sell them to your customers at any price that you deem appropriate.

You must always register potential resell deals in advance to avoid channel conflict.

If WSO2 is already operating within the account, it is not appropriate for a partner to resell the account after we have invested significant selling efforts. Please see the question, "As a Reseller, can I quote a customer if WSO2 is already in the account?" for a more elaborate more explanation on how we define "significant selling efforts".

Can I both resell an opportunity and get a commission?

You cannot double-dip. :)

If you are both an Integration Partner and a Reseller, you must register the deal in advance as one or the other.

How does deal registration work?

Register deals on the WSO2 Partner Portal.

A deal must be registered (and accepted) for both Integration Partners and Resellers. WSO2 will inform you within 5 business days (usually much shorter) if the registration is accepted. The process for acceptance varies slightly for commission registrations vs. reseller registrations.

It is our default policy to accept all registrations.

We reject registrations for only a couple of reasons:

1. If the deal is registered as a Reseller opportunity, WSO2 is already operating within the account, and WSO2 have expended significant selling activity. This is where WSO2 nurtured it, BANT qualified it, expended significant pre-sales support hours, performed onsite visits, or delivered WSO2-Branded Services before the partner appeared within the account. Resellers are not permitted to compete with WSO2 in an account if we have been significantly selling within the account direct. If WSO2 has only preliminarily entered the account, it is our standard practice to hand it off to

a Reseller if the customer is requesting significant value-added services.

2. If the deal is registered as an Integration Partner opportunity and we are unable to BANT qualify the opportunity. While we don't look for every BANT criteria, if we cannot answer most of the typical BANT questions, then the deal may be premature. Chances are we are not operating in that account and you should further develop the opportunity and re-register the deal. Your previous registration is noted and will be seen when the deal turns into a legitimate opportunity. BANT questions include understanding the requirements, does the customer have defined use cases, the customer has an evaluation strategy, they can declare the competitors, they have an idea of their support expectations, timeline has been specified, or next steps articulated.

3. In some circumstances with large public sector deals, the tender requires the manufacturer to directly bid on the RFP alongside a partner. These are quite rare, but in these situations, WSO2 is forced to choose which Reseller to collaborate with, which is usually the one with the longest involvement in the account. Other partners can still compete for the same tender, but we acknowledge and note that this is quite a disadvantageous situation.

Can multiple partners register a deal?

Yes.

For Resellers, WSO2 accepting a registration means that we are handing over the selling motion to partners and encouraging competitive pursuit. Different Resellers (can and do) offer value added offerings around WSO2's offerings and customers should have a maximum choice.

For Integration Partners, WSO2 distributes teaming commissions across multiple Integration Partners if there are multiple partners operating within the account.

In the case where multiple partners are submitting similar proposals for a competitive tender, WSO2 will recognize as the primary partner that one with the longest involvement in the account. Secondary registrations will be accepted but at 50% of the applicable commission level or at a 25% higher wholesale price. This price protection supports your

investment in long-term opportunity development and account influence, reducing the risk of being undercut by other WSO2 partners.

I'm working on a prospective customer opportunity and I register that through the WSO2 Partner Portal. Am I guaranteed exclusivity for the opportunity?

If the opportunity is registered as a Reseller and WSO2 accepts the registration, then we guarantee that WSO2 will not compete with you on the deal, except for the rare public tender where WSO2 as a manufacturer is required to participate. However, we do allow and encourage other Resellers to engage in the account so the customer can get maximum choice in value added capabilities that partners may offer.

If the deal is registered by an Integration Partner for a teaming commission, we do not offer exclusivity. For Integration Partners, WSO2 owns the account and will sell all subscription and WSO2 services. The partner will sell their implementation services side by side with us. We will support all of the partners in the account and provide the same level of co-selling effort for each partner. Any applicable teaming commission is split among all partners that registered the deal.

As an Integration Partner, how does WSO2 calculate a "Teaming Commission"?

For Integration Partners, WSO2 is the account manager. We own the account and drive the selling process related to WSO2 subscriptions and WSO2 services. All the Integration Partners WSO2 accepted the deal registration, they are eligible for the Teaming Commission after the deal closes.

WSO2 will divide the eligible Teaming Commission across the partners.

WSO2 generally distributes all of the commission that is eligible if partners were proactive participants in the selling process. If WSO2 distributes a Teaming Commission below the maximum available, it's due to limited collaboration throughout the deal between WSO2 and the partner.

WSO2 Channel and Account Managers make the determination on the commission payout and the distribution among partners.

Generally, our commission allocation is:

1. **20%:** The Integration Partner that brought us an opportunity that WSO2 was not previously aware of. While many potential customers interact with WSO2's online systems, "aware of" here is one where our sales teams were not previously aware of a BANT opportunity.

2. **80%:** The Integration Partner proactively collaborated with WSO2 throughout the deal process by teaming on design, planning, proposals, quoting, and contracting. Examples of behaviors that get a good teaming recommendation from account managers include assisting with account contacts, facilitates relationships with procurement team and stakeholders, and translation of key documents.

   We are not fans of partners that register deals and then do not reappear until it's commission payday. There are many ways for a partner can demonstrate proactive teaming throughout the deal lifecycle. We encourage weekly interaction between you and the Account Manager working on an account. If you are not able to have live voice interactions, you can also update the deal registration records with additional account activities to help create a positive and historical record of collaborative teaming.

It is your responsibility to register deals and to interact with our Account Management teams so that the maximum eligible commission will be distributed.

When are commissions paid for Integration Partners?

WSO2 will separately remit the commission amount to the Integration Partner after we have invoiced and collected the funds from the customer.

We will pay 100% of the commission that our Channel and Account Managers have determined for you in the deal after we collect funds from the customer. There was for a short period where we paid commissions over three years. That clause no longer exists and has been removed.

Note: Historically, before the introduction of the Reseller Program, WSO2 had a number of Integration Partners that were permitted to quote and invoice WSO2 Subscriptions and WSO2 Services. These partners were operating under a form of a pseudo reseller program. This was confusing for WSO2 and our partners, as the guidelines were not clear as to

when a partner could / should quote WSO2 offerings vs. allowing WSO2 to manage the account directly. With the introduction of the Reseller Program, only Resellers with previously registered deals may quote, sell, invoice, and collect on WSO2 offerings.

"Teaming Commission - New WSO2 Subscriptions" What does this mean?

This is the commission on Net New ARR for a registered subscription deal that WSO2 closes. The agreement is on WSO2 paper and WSO2 assumes the risk and liability. Net New ARR is calculated by taking the annualized renewable value of the subscription and deducting it from any pre-existing ARR that was already in the account.

For example, a new customer buys $100K subscription. This is $100K Net New ARR and all eligible for the commission credit. If in the second year, the customer buys $160K in subscription, $100K is considered a renewal and $60K is considered an expansion. The $60K is eligible for the commission.

How can I receive commission credit on a WSO2 Subscription renewal?

Integration Partners are not eligible to receive commissions on WSO2 Subscription Renewals. Please consider becoming a Reseller as they receive discounts for selling the new subscription and its renewal.

Note - historically, Integration Partners did use to receive renewal commissions, but that was a time when we had a single program that blended concepts of both reselling and referrals.

For partners that are both a Value Added Reseller and an Integration Partner, WSO2 will consider up to 10% commissions on renewals where due to exceptional circumstances, reviewed annually, the deal must be executed through the integration partnership program instead of through the Value Added Reseller program.

DISCOUNT PRICING: As a Reseller, how is the calculation between New WSO2 Subscription and Renewal WSO2 Subscription calculated since there are different discount rates?

We use the Annualized Recurring Revenue (ARR) metric as the basis for calculation. Net New ARR is the amount of new ARR in an account calculated over a period of time. Since accounts can expand their consumption or decrease their consumption, Net New ARR is a way to calculate the amount of business that is new.

For example, if in Y1 a customer has two departments that buy $100K and $40K subscriptions, this will all be seen as New WSO2 Subscriptions. The customer's ARR is $140K at the end of the year. If, in the second year, the customer's first department expands from $100K -> $200K subscription and the second department cancels their $40K subscription, then the total account would be $200K ARR at the end of the second year. $140K of this is considered a renewal and $60K is considered Net New ARR. The $60K would be considered New WSO2 Subscription for the purposes of discount calculations.

In some cases, we treat the Net New ARR calculation for a single project over time. In larger customers that have different buying divisions, each division is calculated differently. However, in smaller customers, all projects are lumped together into a single Net New ARR calculation.

These calculations only apply to discount-based pricing. With wholesale pricing, since resellers buy at a fixed rate based upon volume, those rates will be properly applied based upon the volume purchased each year.

What are the criteria for determining whether a deal is discounted at WSO2 Fulfillment Reseller or WSO2 Value Added Reseller rates?

In situations where WSO2 has done the selling work, but the customer requires a local partner to provide fulfillment, then WSO2 Fulfillment Reseller rates will go into effect. WSO2 will notify you that we believe this is the case at the time the deal is registered.

Our basic principle is that the party who does the selling activity should get a discount.

There are two Fulfillment Reseller rates advertised - when does each apply?

In some scenarios, customers such as the public sector and local regulatory accounts are only allowed to purchase through specialty resellers, such as the United States government on the GSA price list. In situations where mandatory resellers are required to transact, we offer the higher discounts to reflect additional costs and fees incurred by the reseller, and the complexity of the transaction and the nature of the risk taken by the reseller.

"Commission or Discount - WSO2-Branded Services" What does this mean?

It is extremely important that Integration Partners and Resellers recommend and influence end user customers to purchase a WSO2 Quick Start Program or WSO2 Architecture / Performance Review. We have found that these programs ensure that customers are making the best use of our software and significantly increase the customer's project success chances. Customers are more likely to renew and purchase more services from us when we can deploy these WSO2-Branded services into all accounts.

We pay commissions and offer discounts for the sale of these WSO2-Branded services. With only some exceptions, WSO2 personnel will deliver these services within the account, and your team is more than welcome to shadow us on the delivery.

Do we get commissions for prospects referred by/originated from WSO2?

The principle is that we pay a commission for the work done to win that particular opportunity. If WSO2's account team has developed the opportunity in a significant way and then pulls a partner into the account to quote on the implementation services, we do consider paying the Teaming Commission for good account collaboration.

I cannot accept commissions as per my company policy, can I use that commission amount for any other activity or as a discount?

No.

We applaud the company's stance towards non-acceptance of commission, and will not make the payment. The commission cannot be re-purposed towards any other activity.

As a Reseller, when must I pay for the purchase of WSO2 Subscriptions and WSO2 Services made by my customer?

Your customers have up to 90 days after you have *booked the purchase* of a WSO2 Subscription to activate their WSO2 Subscription account with WSO2. If your customer does not activate their support account, the booking will be considered non-invoiceable and voided. The 90-day window for activation is to avoid customers unnecessarily engaging our collective teams on arrangements they never intend to take into active development or production.

You then have 30 days from the time your customer *activates the subscription* to complete any WSO2 Subscription payment to WSO2.

If you have not paid within 30 days after activation an interest penalty begins accruing. If you have not paid within 60 days after activation, we discontinue providing WSO2 subscription services to your customer. Resellers should see this restriction as a benefit. Some customers will stretch you for payment terms, and WSO2 having a no-exception policy on penalties and account deactivation is a compelling reason for customers to meet their payment obligations.

WSO2 will deliver services for any WSO2 Subscription that has been activated, even though our payment terms from Resellers are 30 days after activation. We experience higher support costs at the beginning of a subscription as we have an involved customer onboarding effort designed to ensure maximum success of the account. If we deliver WSO2 Subscriptions booked by you and your payments are repeatedly late, your status as a Reseller will be jeopardized.

For WSO2-Branded Services, the payment terms will be aligned with what was agreed between you, WSO2 and the customer. Without a previous discussion between you and WSO2, we will expect payment for WSO2-Branded Services at the time you book the deal.

How are commissions and discounts treated for multi-year bookings of WSO2 Subscription?

It happens that customers will purchase and pay in advance for multiple years of a WSO2 Subscription.

For Integration Partners that participate in a WSO2 deal where WSO2 sells a multi-year WSO2 Subscription, the commission amount is for the first year portion of the WSO2 Subscription. The remaining years are considered renewals and not part of the commission.

For Resellers that sell a multi-year WSO2 Subscription, you are offered the new WSO2 Subscription discount for the first year portion of the deal and the renewals WSO2 Subscription discount for the remaining years.

6.5 Leads and Referrals

What is WSO2's process for recommending partners to customers or prospects?

WSO2 encourages our employees, partners, and customers to discover which partners are available by visiting the 'Partner Finder' page on the WSO2 website.

If WSO2 prospects inquire about value-added implementation services, we will recommend one of our Certified or Premier Integration Partners, based upon:

- WSO2 implementation and design capabilities
- Successful joint customers or logos
- Relevant domain expertise
- Location and language capabilities

We have had a number of our partners build entire practices entirely around WSO2, with some of them having more than 150 certified WSO2 professionals. These organizations do get lead referrals from time to time, but most of their business and growth came from their own demand generation activities. In general, you should not rely on WSO2 referrals to grow your business, as we cannot guarantee a quota of leads for each Partner yet.

Generally, when we make a partner recommendation, we follow the sequence:

1. If the Integration Partner developed the opportunity through co-marketing with us in a regional event or workshop, we recommend the same partner for the opportunity.
2. We look to see if any of our partners have an existing relationship with the account.
3. We recommend Integration Partners and Resellers based upon their partner tiering level seniority and whether they have the *technical* expertise and on-staff certifications to win and deliver the opportunity.

We want to engage in co-marketing. How do we do that and what can you provide?

We have made a marketing template with options, available through the Partner Portal, which you can use to trigger the Partner Marketing team. They will assess the recommendations from you and plan the process.

We publish a software offering that is complementary to WSO2. Will you include this in your sales?

Please sign up as a WSO2 Community Technology Partner. We'll get your product onto our partner portal and our customers can search that portal based upon the type of technology that is needed. Our customer engagement and sales teams use the same portal to identify potential partners that may help our customers advance their objectives.

From time to time, WSO2 customers ask WSO2 to prepare an all-in-one quote for WSO2 software, subscriptions, services alongside the offerings of our partners. This does not happen often, but if we are teaming in an account, you have registered the opportunity, and the customer is asking WSO2 to be the holistic vendor, we will ask you if we can quote your offerings alongside our own. Just like when you quote our offerings, we will have the customer contract with you for the purchase.

Why does WSO2 share leads with partners? Is it to help them or help ourselves?

When WSO2 Channel and Account Managers have an opportunity that they are working that requires additional complementary technology or long term implementation services, we will seek out a partner to pull into the account with us. We will reach out to the partner and invite them to co-sell the full offering together within the account.

Our goal is rapid customer implementation and stable system operation with all customers. These customers show the highest likelihood to provide referrals and renew their subscription. We bring in partners into customers that we are selling to de-risk the account and increase their likelihood of becoming a bigger customer.

When should you share a lead you uncovered with WSO2? What are the criteria?

If you have an integration project that is developing within the account, share the lead early by registering the opportunity in the WSO2 Partner Portal. The sooner we can get a WSO2 Account Manager assigned, the more likely we will be in offering a broader solution that includes more components achieving a broader set of capabilities. Pulling WSO2 early

into projects also allows us to provide thought leadership within the account with you by exposing the customer to our maturity model, reference architectures, and reference methodologies, all of which are helpful tools in the selling motion with customers.

Also, if you have a BANT opportunity that WSO2 wasn't previously aware of, you will get a larger share of the Teaming Commission once the deal is closed.

Do we bring partners in only on service deals? Will WSO2 bring in partners that are selling ecosystem products that add value to WSO2 products?

Right now, we proactively pull in Integration Partners that sell augmentation services. Our customer lead referrals are WSO2 account teams referring our Integration Partners into the account to augment services that we are not equipped to provide.

We currently do not quote, propose, or sell Technology Partner products as part of our selling motion. For customers seeking product augmentation recommendations, we point prospects o our online Partner Finder to discover ecosystem products that complement our own. We are looking to revise the product / ecosystem recommendation side of our business in 2019.

Of course, there have been many situations where WSO2 prospects evaluate our products alongside many other ecosystem products. Our account management teams team really well in these scenarios and will do the necessary integration and collaboration to ensure that your product shines as well as ours.

How do we determine lead forwarding between two (02) certified or premier partners? Is it solely based on technical expertise?

The WSO2 Channel and Account Manager collaborate to identify the best partner into an account. It's primarily based upon the type of implementation project, local language skills, and local presence. This is more of a subjective art than a scientific one. We try to be as fair as possible and ask our account teams to start with Premier partners, then Certified, and then Consultative.

How many leads per year do we share with a partner?
It varies by territory, but each of our Premier Integration Partners are collaborating with us on dozens of opportunities every year.

6.6 Quoting and Engagement Model

We want to present a single all-inclusive price and a single contract to the customer for the project. How should WSO2 Subscriptions and WSO2 Services be included?

For Integration Partners, all quoting, selling, invoicing, and collections for WSO2 Subscriptions and WSO2 Services must be done by WSO2.

We can either:
1. Quote our offerings on WSO2 paper, or:
2. Team with you to add our line items to your proposal and let the customer later transact with WSO2.

This guarantees that the customer will abide by our terms and conditions.

For Resellers, you are authorized to quote, sell, invoice, and collect on WSO2 Subscriptions and WSO2 Services as long as the deal has been registered in advance. Resellers can also include their value added implementation services to create a holistic, all-in-one quote.

To create a holistic offering to my account, can we buy WSO2's Subscription and WSO2 Services on behalf of my customer?

Yes, Integration Partners may sign on behalf of their end user directly with WSO2. In this case, you are WSO2's customer. We will provide our WSO2 Subscription and WSO2 Services directly to you. We *discourage this practice (especially now that we have a Reseller Program designed to support this use case)* as we know customer projects are less likely to be successful in this format. The end user customer is generally not aware of the full extent of back-end services we are providing or the actual cost of such services. Our SLA responsibility then becomes to you, not to the customer and this creates the possibility of mismatched interests.

How do I get the WSO2 price list?

WSO2 publishes our global price list for everyone to see. We work to have the same list prices available in every country, though some currency fluctuations can create slight differences between territories.

Integration Partners should work with their WSO2 account manager that was assigned after the opportunity was registered on the partner port. The WSO2 account manager will help you prepare a recommended architecture and estimate the number of units that need to be purchased given the size of the proposed system.

Partners can obtain all the current price lists from https://partners.wso2.com/pricelists.

How often is the WSO2 price list updated?

We update our price list as new products or services are added. Prices on all products are reassessed and may be revised annually.

Are there WSO2 products and offerings that Resellers are not allowed to sell?

Yes.

For discount-based pricing, Resellers are not permitted to resell OEMs, WSO2 Cloud, and some specialty products. These are outlined in the price list and generally make up a small fraction of our overall business.

For wholesale-based pricing, Resellers are allowed to resell WSO2 Cloud and WSO2 Open Banking.

Should I quote WSO2 Subscriptions for one year or multiple years?

We do support multi-year deals, but ask that *you get pre-approval* with WSO2 before quoting a prepaid multi-year agreement.

I am filling out an RFP. Can WSO2 help me respond to questions about WSO2 technology?

We can and often do joint RFPs with our partners. We also have an internal knowledge base with answers to 1000s of RFP questions that we can reuse with your proposals. If you have an RFP, first register the opportunity and your WSO2 Channel Manager will get an account manager assigned to you. The account manager will coordinate WSO2's responses and answers to the RFP with you.

RFPs generally take some time to do properly, so it is quite helpful if you can plan RFP responses well in advance. Last minute urgent requests are hard to get done well.

As a Reseller, what happens if special contract items are required (non-standard discount, price freeze)?

After you have registered the deal, you will have been assigned a WSO2 Account Manager. You can coordinate with them on any requests.

All price, volume, and discount requests from Resellers go through the same approval process that our internal sales team uses for their own deals. We do not allow our teams to have much creativity in pricing configurations to keep our pricing relatively fair. But sometimes edge cases appear and we have a process by which we document all deviations from normal pricing. Your deal will go through the same process. You will then be given clearance for any modifications that are necessary.

Will WSO2 quote my company's offerings and services to their customers?

From time to time, WSO2 customers ask WSO2 to prepare an all-in-one quote for our software, subscriptions, services, and those of our partners. This does not happen often, but if we are teaming in an account, you have registered the opportunity, and the customer is asking WSO2 to be the holistic vendor, we will ask you if we can quote your offerings alongside our own. Just like when you quote our offerings, we will have the customer contract with you for the purchase.

Will WSO2 add my company's products to their price list?

Historically, we have never become a reseller for our partner's products. As such, we haven't historically added the products from our customers to any of our price lists.

Which WSO2 Subscriptions and WSO2 Services does WSO2 recommend we propose to our accounts? What is the recommended WSO2 engagement model?

We make account recommendations based upon two criteria:
1. Size of the deployment
2. The stage of the customer's project

Engagement Model by Deployment / Company Size

For smaller projects, we recommend an off-site architecture review (1 day), architecture validation (3 days, on-site), and a WSO2 Subscription that includes development and production support.

For larger projects, we recommend a WSO2 Quick Start Program (1 week, onsite), architecture consulting (3 days on-site with you and the customer, a WSO2 Subscription with development and production support, and periodic offsite architecture reviews to provide technical guidance and a quality check. For new partners that have relatively less experience, we would also recommend WSO2 on-site consultants that have product expertise for the products being deployed.

Engagement Model by Project Stagement

For projects in evaluation, we recommend partners pull materials about our products from the WSO2 Partner Portal, the partner use their provided development support hours to gain expertise, and to leverage our WSO2 Channel and Account Manager to help with price and deployment recommendations.

For projects in design and implementation, we recommend an on-site architecture review or consultation and a WSO2 Subscription with development and production support.

For projects in readying for go-live, we recommend an on-site architecture validation and an on-site deployment validation. We also recommend a WSO2 Subscription which includes production support and a response SLA.

For projects in maintenance or expansion, we recommend a WSO2 Subscription with development and production support and periodic architecture reviews.

Can I offer unlimited enterprise subscriptions and licensing?

WSO2 does not offer unlimited or ELA-based pricing. For long term strategic accounts where WSO2 and the customer are aligning roadmaps and commitments, we have done specialty deals.

How does WSO2 handle tenders such as from federal or public sector entities?

On large projects, WSO2 may take those direct if the tender requirements require it. From time to time, large federal tenders have requirements that force the vendor to participate. Otherwise, we will allow resellers to bid on the tender. When resellers are bidding on the tender, we will go to great lengths to avoid co-bidding with a single partner.

Often times, tenders have RFPs that include special terms, conditions, and obligations. We can prepare manufacturing authorizations, statements of committed collaboration, and warranty commitments that are sometimes required as collateral to the tender process. Once you have registered a deal as a reseller, you can work with your account manager on any associated materials.

6.7 Certification and Training - WIP

"WSO2 Certified Sales & Integration Experts on Staff" what does this mean?

WSO2 Certification - http://wso2.com/training/certification

As a WSO2 Integration Partner or Reseller, there are minimum number of certified experts that you must have on your team to maintain your partnership status.

WSO2 has different certifications for developers, architects, administrators, and sales professionals. For developers and architects, we have different certifications for each of our products, and those certifications are different levels indicating your depth of expertise.

You can obtain certifications in any combination across these types of certifications, though most partners emphasize technology certifications more than sales certifications.

Having a good balance of certified professionals will help you with lead referrals. When WSO2 account managers are working on new opportunities and need to refer an

implementation partner, they emphasize those operating within a region that have a strong balance of practice engineers, WSO2 certified technologists, and WSO2 certified sales professionals.

What is Level 1 and Level 2 Certification for WSO2 Products?

Level 1 is a multiple choice exam that tests your knowledge of the product. Level 2 tests your ability to practically implement and configure the product.

Do we receive a discount on purchases of WSO2 technical training or WSO2 services that are for internal purposes?

No. But we are not crazy. If you have a large staff of people to be trained on WSO2 as you are developing your practice, we have always found a way to accommodate the needs of our partners.

We do waive all certification exam fees as long as your expert passes the exam. If you fail the exam, then we ask for the exam fees to be paid.

What sales enablement training does WSO2 provide to partners?

We provide:

1. WSO2 Certified Sales Professional. A certification for individuals on how to position and sell WSO2 offerings.

2. WSO2 Partner Portal. This resource contains various resources including our quarterly product roadmaps, sales presentations for each of our products, and documents outlining our competitive advantages. The materials contained in the portal are identical to the materials that we provide our direct sales and customer engagement teams.

3. Partner and Product Update Webinars. Partners are invited to join our product update webinars along with our employees. We do major themed releases that cross-cut our entire portfolio quarterly and individual products provide incremental releases within the quarter.

4. Partner Participation in Annual WSO2 Sales Kick Off. At the beginning of each calendar year, WSO2 brings all of our customer engagement, account management,

and solution architect team together in Colombo, Sri Lanka for 3 days of sales enablement, product, and market training. These sessions are open to partners and you can send your sales and certified technical experts to participate. WSO2 can recommend local hotels nearby the training. We send an invite to identify who is interested in Q4 and we try to finalize the participating individuals by December 1st of the year.

If you need coaching and mentoring on how to better engage your customers, you can reach out directly to your assigned Channel Manager, send an email to partners@wso2.com, or engage with our product marketing team directly at pmm-group@wso2.com.